

2008/2009 ANNUAL REPORT



UMZIMKHULU MUNICIPALITY



TABLE OF CONTENTS

ABBREVIATIONS	ii
CHAPTER 1: INTRODUCTION & OVERVIEW	1
1.1 FOREWORD BY HIS WORSHIP THE MAYOR	1
1.2 HANDOVER STATEMENT BY THE MUNICIPAL MANAGER	2
1.3 OVERVIEW OF THE MUNICIPALITY	5
1.4 EXECUTIVE SUMMARY	21
CHAPTER 2: PERFORMANCE HIGHLIGHTS	30
2.1 BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	30
2.2 MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	33
2.3 LOCAL ECONOMIC DEVELOPMENT	41
2.4 GOOD GOVERNANCE & COMMUNITY PARTICIPATION	45
2.5 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	47
2.6 COMMUNITY AND SOCIAL SERVICES	49
CHAPTER 3: REPORT OF THE AUDIT COMMITTEE	51
CHAPTER 4: HUMAN RESOURCE & ORGANISATIONAL MANAGEMENT	52
4.1. ORGANISATIONAL STRUCTURE	52
4.2 EMPLOYMENT EQUITY & SKILLS DEVELOPMENT	53
4.3 HUMAN RESOURCE GOVERNANCE	55
4.4 PERFORMANCE MANAGEMENT AND REPORTING	55
4.5 STAFFING INFORMATION	56
CHAPTER 5: FINANCIAL INFORMATION	57
5.1 REPORT OF THE AUDITOR-GENERAL	57
5.2 ACCOUNTING POLICIES	62
5.3 ANNUAL FINANCIAL STATEMENTS	77
5.4 COMMENTS OF THE ANNUAL FINANCIAL STATEMENTS	98
5.5 ASSESSMENT BY ACCOUNTING OFFICER OF ARREARS	98
5.6 MANAGEMENT RESPONSES TO THE AUDITOR-GENERAL'S REPORT	98
CHAPTER 6: FUNCTIONAL AREA SERVICE DELIVERY REPORT	100
6.1. UMZIMKHULU STRATEGIC ORGANISATIONAL SCORECARD	100
6.1.1 <i>Office of the Municipal Manager</i>	101
6.1.2 <i>Budget & Treasury</i>	107
6.1.3 <i>Corporate Services</i>	113
6.1.4 <i>Community & Social Development</i>	120
6.1.5 <i>Infrastructure</i>	130
6.1.6 <i>Strategic Planning, Development & Housing</i>	137





Abbreviations

Abbreviation	Description
ABET	Adult Basic Education Training
BBBEE	Broad Based Black Economic Empowerment
CBD	Central Business District
CPF	Community Policing Forum
DORA	Division of Revenue Act
EC	Eastern Cape
EXCO	Executive Committee
GDP	Gross Domestic Profit
IDP	Integrated Development Plan
KPA	Key Performance Areas
KZN	KwaZulu-Natal
LED	Local Economic Development
LG	Local Government
MFMA	Municipal Finance Management Act
NGO	Non-Governmental Organisation
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
WSP	Workplace Skills Plan



CHAPTER 1: INTRODUCTION & OVERVIEW

1.1 FOREWORD BY HIS WORSHIP THE MAYOR

In my capacity as Mayor of the Umzimkhulu Municipality, I am proud to present the Annual Report for the year ended 30 June 2009 to Council and the general public. As required by Section 121 of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003, it is my duty to present this report before Council, and in the presence of the Office of the Auditor-General, Department of Co-operative Governance and Traditional Affairs and Provincial Treasury. This report details the performance of this Municipality during the 2008/2009 financial year.

The 2008/2009 financial year has seen our Municipality significantly improve on the previous year, more specifically in terms of the queries raised by the Auditor-General. This is due mostly to the focus by the Executive Committee and Council on ensuring that Management addressed the issues raised in the previous audit. I must also thank the Office of the Auditor-General in the province, Provincial Treasury and the Department of Co-operative Governance and Traditional Affairs for their assistance in ensuring compliance to all the relevant legislation governing Local Government.

We are deeply indebted to the chairperson of the Audit Committee, and the other members for the good work that they continue to perform on behalf of this Municipality. We are beginning to reap the fruits of their hard work. Since the Audit Committee was appointed it has ensured that the internal systems of the Municipality have improved significantly, thereby contributing to our achievement of an unqualified audit opinion for the financial year.

Our focus as Council now is to ensure that we fulfil our oversight responsibilities, and monitoring and evaluation function, thereby ensuring the Municipality achieves our IDP priorities. Further, focus will be placed on improving the quality of the services provided by our Municipality.

It is a priority to synergize our planning in the Municipality, District, and Province in order to achieve our service delivery requirements and best serve our community. Our sole purpose as Council is to ensure that we better the lives of the people of Umzimkhulu. In this regard, our Municipality will focus on strengthening our capacity to implement key projects by the implementation of our Performance Management System.



Focus will also be placed on the implementation of the national turnaround strategy that is currently being finalised by the Department of Co-operative Governance and Traditional Affairs, together with SALGA and other key stakeholders and partners.

On behalf of the Executive Committee and Management, we submit this 2008/2009 Annual Report.



CLLR BMP DZANIBE
HONOURABLE MAYOR
UMZIMKHULU MUNICIPALITY



1.2 HANDOVER STATEMENT BY THE MUNICIPAL MANAGER

Section 121 of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 requires each Municipality to prepare an Annual Report for each financial year. Under the guidance provided within this section of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003, I am proud to present the Umzimkhulu Municipality Annual Report for the financial year ended 30 June 2009, together with the Annual Performance Report for the year ended 30 June 2009 (As per Section 45 of the Local Government: Municipal Systems Act, Act No. 32 of 2000).

The purpose of the Annual Report, in terms of Section 121(2) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003, is:

- a) To provide a record of the activities of the Municipality or municipal entity during the financial year to which the report relates;
- b) To provide a report on performance against the budget of the Municipality or municipal entity for that financial year; and
- c) To promote accountability to the local community for the decisions made throughout the year by the Municipality or municipal entity.

In addition to the above, this report is presented by the Municipal staff, as the culmination of our hard work and dedication to the Umzimkhulu public as a whole during the past financial year. Our tireless commitment to service delivery, and the efficient and effective administration of the funds placed under our administration, has resulted in an unqualified audit report for the year ended 30 June 2009.



In the past, our Municipality suffered from various hindering circumstances, mainly due to non compliance with various legislation governing local government structures, and the inability to account for expenditure. The announcement of an unqualified audit opinion marks the point at which we have managed to turn the tide, together with the assistance of the Province, from receiving a disclaimer to an unqualified audit opinion, for the second year in a row.

Our success is mainly attributable to the following:

- a) An increase in oversight on the part of Council over the Executive Committee and administration of the Municipality;
- b) The active participation of the local community in the affairs of the Municipality through increased public participation;
- c) The active involvement and functioning of Council Committees in executing their responsibilities;
- d) Stability in the senior management team of the Municipality;
- e) Regular Management Committee meetings;
- f) The Executive Committee have been very active in monitoring the progress of the implementation of our budget and IDP priorities;
- g) The Audit Committee provided year round assistance in ensuring the strengthening of the internal control systems of the Municipality;
- h) The credibility of our IDP improved by up to 70% (among the highest in the district and the province), and our focus on the implementation of our SDBIP;
- i) The implementation of our performance management system;
- j) Improved structures in the Municipality to deal with issues arising;
- k) Improved focus on building the skills set of our existing staff, including capacity building of Councillors to execute their work;
- l) Significant improvement within our Budget and Treasury Department in terms of capacity and management of the Municipality' finance; and
- m) Improved revenue collection and payment of creditors on time.



We would also like to thank all the service providers who have made a tremendous improvement within our Municipality. Our appreciation is also extended to the Provincial and National Government departments for the support provided by them to our Municipality and hope that they will continue to do so.

In moving forward to the new financial year, the Municipality aims to place more focus on performance management, and monitoring and evaluation. Structures and systems have been put in place to ensure that the Municipality's service delivery requirements are met.

On behalf of the Municipal Administration, we submit this report for your discussion and debate.



Mr LPH MAPHOLOBA
MUNICIPAL MANAGER
UMZIMKHULU MUNICIPALITY





1.3 OVERVIEW OF THE MUNICIPALITY

1.3.1 Umzimkhulu Geographical Context

Umzimkhulu Local Municipality is one of the five (5) municipalities that fall under the Sisonke District Municipality together with Ubuhlebezwe, Ingwe, Kwa-Sani and Greater Kokstad.



Figure 1: Map of Umzimkhulu within Sisonke District

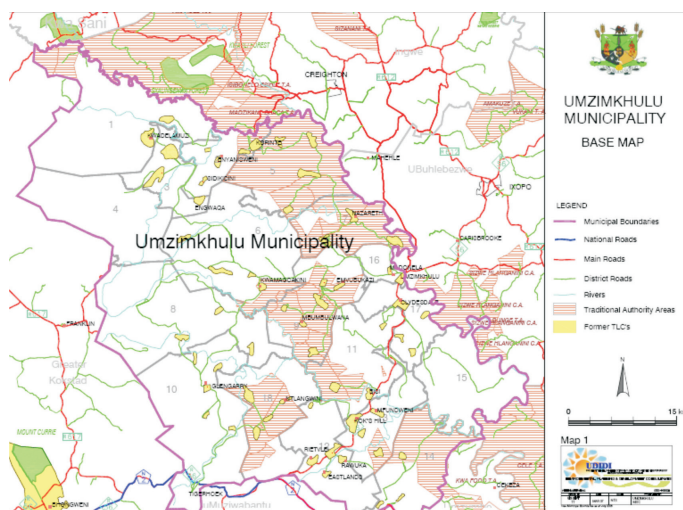


Figure 2: Map of Umzimkhulu



Umzimkhulu Local Municipality is bounded by towns of Ixopo in the East, Underberg in the North, Matatiele in the West and Kokstad and Harding in the South whilst bounded by the Umzimkhulu River in the South and Umkhomazi River in the North.

The Umzimkhulu Local Municipal Area consists of 18 Wards, with the main administrative centre located in Umzimkhulu Town (Ward 16). Apart from privately owned land in the urban centre of Umzimkhulu (Title Deeds) and the R293 Townships of Rietvlei, Ibisi and Clydesdale (Deeds of Grant), the balance of land in the Umzimkhulu Municipal area is mainly state land. Individual use right and "ownership" is held in terms of lesser forms of tenure.

Most of this land is held communally and/or in trust by the Minister of Land Affairs which requires laborious procedures to unlock the potential of this land and its resources, as there is a number of overlapping rights and jurisdiction over most of the land not held in private ownership. The entire municipal area falls within the former Transkei homeland area, with a settlement pattern that reflects a predominantly rural character.

The area can be described as:

Predominantly scattered low-density rural settlements. Settlements are loosely scattered throughout the entire municipal area and are surrounded by communal grazing and arable lands. Settlement density appears to be directly correlated to accessibility (increased accessibility - increased density). Spatially, settlement density appears to be lower, the further the location from the main road axis and its feeder roads. This is also supported by demographic information which clearly indicates that population density declines, the further one moves away from the main transport routes. Levels of service are generally low, with the majority of residential structures being self-built.

Apart from a few trading stores and agricultural activities, there is generally little sign of economic activity outside of the "urbanised" areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The continuous low-density sprawl of these rural settlements and poor planning of the past, which results in more productive agricultural land being taken up, can be regarded as one of the main threats to the development of the agriculture sector in Umzimkhulu.





1.3.2 SOCIO-ECONOMIC CONTEXT

1.3.2.1 Population Statistics

This is an analysis of the demographics of Umzimkhulu based on the Community Survey 2007 (Statistics South Africa). Umzimkhulu Municipality covers a total area of 2436 km² and has a population size of 243 242 and 43 545 households compared to 174 338 and 36 246 (Census 2001), respectively. These figures mean that Umzimkhulu Municipality has had a 28% (68 904) increase in population and 17% (7 299) increase in households from 2001 to 2007.

The increase in population and household figures poses major development challenges to the Municipality which has limited resources and acute historical development backlogs.

i. Racial Distribution

The following table shows Black African dominance in the municipal area.

Race	% Distribution
White	0.10%
Indian	0.30%
Coloured	0.60%
African	99%
Total	100 %

Table 1: Racial Distribution of the Population

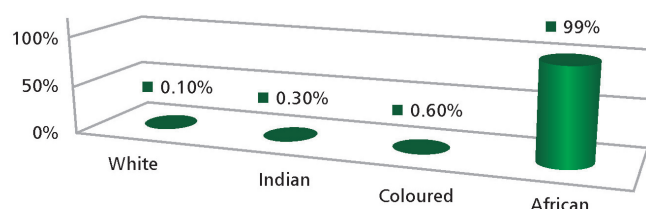


Figure 3: Racial Distribution of the Population



The rural nature of the Municipality and the dominance of Black African (99%) is an important starting point towards understanding the plight of this municipal area which is generally characterised by huge service backlogs, abject poverty, unemployment and other social development challenges.

ii. Gender Distribution

The following table shows the gender distribution in Umzimkhulu with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially on vulnerable groups like women. The gender figures also help the government to provide appropriate facilities and social investments in line with gender demographics.

Gender	% Distribution
Males	44%
Females	56%
Total	100%

Table 2: Gender Distribution of the Population

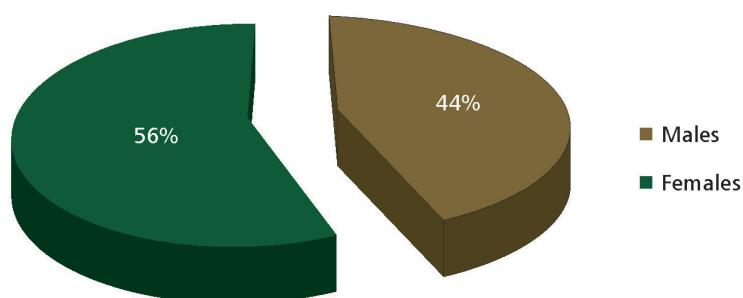


Figure 4: Gender Distribution

While the above figure shows female dominance which reflects National figures, it indicates male absenteeism due to males working as migrant workers in major cities, which further exerts pressure on vulnerable groups, especially women who have to fend for their families with limited resources. This can also be interpreted to mean that there are a number of women- headed households.





iii. Age Distribution

The table below shows the age distribution within the Umzimkhulu Municipal area where the ages of 5-14 are the most dominant followed by the 15-34 age group, which is still within the formal description of youth. The latter group forms part of the active labour group. The huge numbers of this age group call for a need for creation of employment opportunities and provision of educational facilities to cater for their needs.

Age Group	% Distribution
0-4	13%
5-14	32%
15-34	30%
35-64	19%
65+	6%
Total	100%

Table 3: Age Distribution of the Population

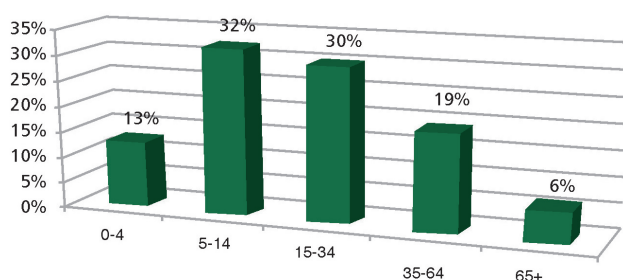


Figure 5: Age Group Distribution

The dominance of the youth also poses social challenges since this group is sexually active and more vulnerable to HIV/ AIDS infection and other social ills. It will be, therefore, crucial that interventions aimed at reducing HIV/AIDS and other social ills are intensified in order to sustain development interventions.





1.3.3 ACCESS TO SERVICES

There are many villages in Umzimkhulu that still have not been electrified. The Electricity Service Delivery Plan that is currently underway, to investigate all electrification backlogs within Umzimkhulu Local Municipality will assist the Municipality in determining electricity projects.

The bucket system is in the process of being eradicated. The majority of the Municipality used pit latrines with the water borne sanitation system installed only in the CBD and surroundings.

The priority for refuse collection should be the management of the dumping site. Other methods of waste disposal in rural areas should be considered and the current methods pollute the underground sources of water. Equipment to collect the refuse is not available so this service is hard to render to the community.

The Umzimkhulu Municipality has no Municipal owned housing properties that are leased or rented out to the community and government departments. As a result the Municipality is not generating revenue from rent. The land audit will assist in clarifying the various land legal issues that are arising in the Municipality and thereafter investments can be made in various areas without the fear of land claims.

1.3.3.1 Electricity

Many villages in Umzimkhulu have limited or no access to electricity. As a result other alternative forms of energy are being used (i.e. candles, paraffin and other forms of energy). The following figure indicates households using electricity for lighting, cooking and heating within Umzimkhulu Local Municipality.

Type of Electricity	% Of Households Using Electricity	
	Community Survey 2007	Census 2001
Heating	7%	6%
Cooking	18%	7%
Lighting	54%	31%

Table 4: % of Household Using Electricity

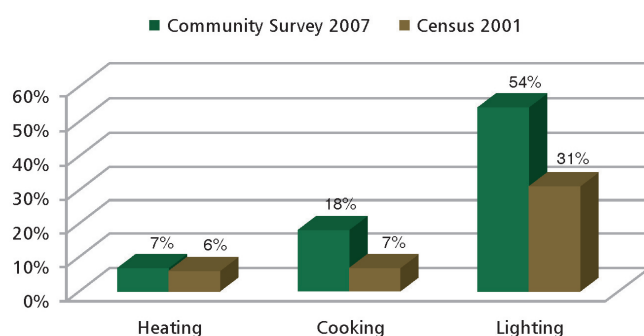


Figure 6: Households Uses of Electricity, (Community Survey 2007)

The above comparisons indicate significant improvements in the use of electricity which can be translated to an increased number of households having access to electricity.

ESKOM highlighted the following as the municipal electricity challenges:

- Meeting 2012 Government Expectation.
- Mobilising Resources.
- Integrating IDP with Eskom Plans.
- Lack of Sector Planning from Local Government.
- Government Special Programmes.
- Feedback to Local Municipality's DORA Section 23.

The following table indicates the Status of Electrification within Umzimkhulu Local Municipality:

Status of Electrification	Number
Number of households as per database collected In 2006	36,244
• Number of households electrified Inception to date	14,969
• Number of households Not Electrified Current backlog	21,275
Total number of schools	66
• Number of schools electrified	42
• Number of schools not electrified	24

Table 5: Status of Electrification

(Source: Presentation by ESKOM Distribution Division - Eastern Region: Sisonke DM Electrification Status, 2008)



The municipality is however striving to achieve the following

- Electrification of all areas in Umzimkhulu.
- Upgrading of existing electricity in all electrified areas.
- Establishment of local ESKOM / electricity offices, a power station, and its substations.

The Sisonke District Municipality Electricity Service Delivery Plan was developed and its draft was completed in September 2007 and was accordingly presented to the Infrastructure Standing Committee of Umzimkhulu Local Municipality.

The Draft Plan further indicates the prioritized electrification projects for Umzimkhulu Municipality which can be generally interpreted to indicate the electrification backlog within the Municipality. It must be highlighted that the Plan also provides an indication of the ESKOM Electrical Network Upgrade Projects beginning from 2007/08 to 2010/11 financial years.

1.3.3.2 Roads

Whilst a lot of effort has been placed on the rehabilitation of roads, a lot still needs to be done to reduce the backlog. Access to some villages is only possible through the use of light delivery vehicles (bakkies). It is estimated that 45% of access roads become unusable during the rainy season. Taxis, buses and bakkies (neither of which are regulated) are the main modes of transport. The Department of Transport provided funding for the Municipality to upgrade the road infrastructure.

The following roads have been completed:

- Ward 16 Clydesdale Access Road.
- Ward 12 Nxaphanxapheni Access Road.
- Ward 6 Makholweni Access Road.
- Ward 8 Driefontein Access Road.
- Ward 4 Mount Sheba Access Road.

The municipality will conduct maintenance of roads in Wards 1 to 18. The following roads are currently under construction:

- Umtshazo Access Road Ward 14.
- Mbulumba Manxiweni Access Road Ward 12.
- Vierkant Access Road Ward 11.
- Esihlonhlweni Access Road Ward 11.
- Cabazi Access Road Ward 9.
- Goso Likhasini Access Road Ward 1.





In terms of IDP Review for 2008/2009, completion of the roads currently being constructed was envisioned to be in March 2008. The challenges were the unavailability of plant and equipment for the construction of the roads.

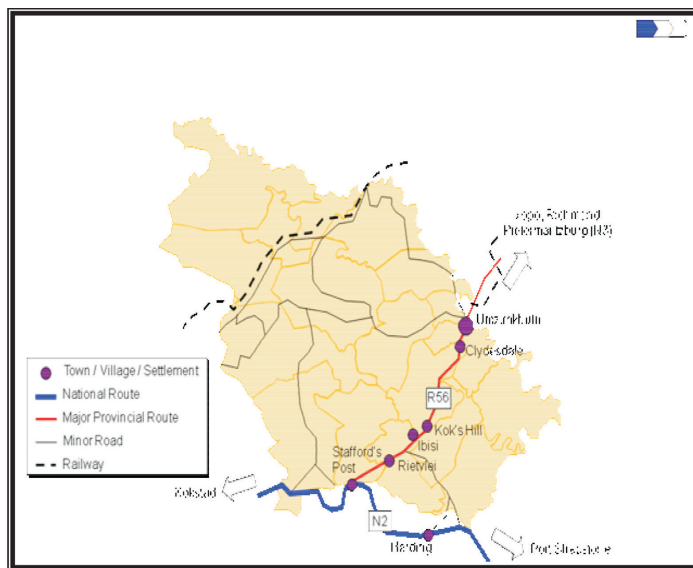


Figure 7: Road Network within Umzimkhulu Municipality

1.3.3.3 Water

Water in Umzimkhulu is mainly drawn from natural sources like streams, rivers, and fountains. Water in many areas is not purified and this makes these areas exposed or prone to cholera and other diseases. Boreholes are also available but not always functional. Of the funding that has been received by the Municipality, part of it is for the planned water projects that were previously halted due to lack of funding. There are projects that have been identified to cater for the provision of water and sanitation to the community.





The municipality is still in the process of providing the following services:

- Provision of clean water to all communities.
- Establishment of water purification works in all schemes.
- Provision of basic sanitation services.
- Conducting health and hygiene education.
- Developing a maintenance programme for water and sanitation services.

The following table indicates households having access to piped water within Umzimkhulu Municipality:

Type of Water Source	Census 2001	Community Survey 2007
Piped water inside dwelling	2.4%	7.5%
Piped water inside yard	8.3%	6.9%
Piped (tap) water to community stand: distance < than 200m from dwelling	15.6%	25.7%
Piped (tap) water to community stand: distance > than 200m from dwelling	9.3%	-
Total Piped Water	35.6%	40.1%

Table 6: Households' Access to Piped Water

(Source: Community Survey 2007)

The above table indicates significant improvements to households' access to clean and hygienic water. The table on the other hand also indicate that over 50% of households continue to access water from other less reliable and relatively unhygienic water sources.

The Water Service Delivery Plan has been prepared by Sisonke District Municipality and awaiting the approval of EXCO.

1.3.3.4 Sanitation

Rural areas under the jurisdiction of Umzimkhulu use pit latrines with very few areas that use septic tanks. A main sewer line has been installed within the Umzimkhulu CBD and surroundings and most CBD residents are using the water borne sanitation system. The following table indicates the percentage of households using pit latrine, bucket system and no toilet facilities.



Type Sanitation Facility	Census 2001	Community Survey 2007
Pit Latrine	84.0%	66.5%
Bucket Toilet System	1.7%	0.4%
No Toilet	7.6%	7.1%

Table 7: Households Access to Sanitation Facilities

(Source: Community Survey 2007)

The above table can be interpreted to indicate that only 26% of the households have access to waterborne sanitation facilities. It also indicates significant reduction in the use of pit latrines and the bucket toilet system, however little change occurred to households with no access to sanitation facilities.

A Draft Protocol to Manage the Potential of Groundwater Contamination from on site sanitation for Umzimkhulu Local Municipality has been developed. This Plan serves as a precursor for the development of a Sanitation Plan for the entire Sisonke District. As a result, there is no backlog information for sanitation for the Umzimkhulu Municipality and the Sisonke District. The map below indicates households' access to water and sanitation:

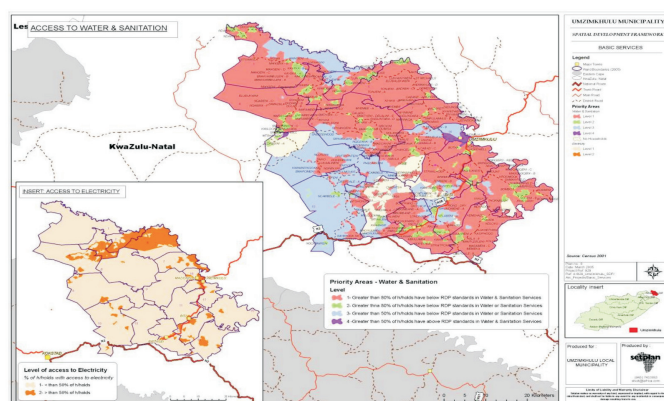


Figure 8: Households Access to Water and Sanitation



1.3.3.5 Refuse Removal

The Community Survey 2007 indicated the Umzimkhulu Municipality's households' access to refuse disposal as depicted in the table as follows:

Access to Refuse Disposal	Census 2001	Community Survey 2007
Removal by Local Authority / Private Company	4.5%	5.4%
No refuse disposal	11.7%	1.6%

Table 8: Households' Access to Refuse Disposal

The above figure indicates that there has been relative improvement to households' access to refuse disposal for the last seven (7) years, specifically to households who had no refuse disposal systems in place.

This service is currently only offered in the following areas:

- CBD.
- Ibisi.
- Skomplaas.
- White City.
- Emajaridin.
- Extension 6.
- Nyenyezi.

There is no refuse collection truck. As a result a tractor with a tipper trailer is being used to collect the refuse once a week. Plastic bags are provided for the refuse collection. There is a dumping site. However it is not properly managed partly because of the lack of machinery.

Problems that are encountered with this service are as follows:

- There is no proper refuse truck to collect the refuse.
- There are no street refuse bins in the CBD which results in the refuse being thrown on the streets.
- No recycling plant.
- There is no way bridge to weigh incoming refuse in order to charge other users.
- There is human resource capacity but funds are lacking.





Balance of areas use dug holes for refuse disposal but this method results in the pollution of underground water. Rural areas on the other hand use open trenches to dispose their waste.

1.3.4 HIV/AIDS PREVALENCE

The fight against HIV/AIDS should be handled in a co-coordinated manner by government departments and NGO's. Community involvement in AIDS awareness campaigns is crucial where strategies like abstinence, education and other relevant methods must be promoted with active participation from Councillors, traditional leaders, church leaders, school stakeholders, and sports stakeholders. The St Margaret's Hospital in Umzimkhulu specializes in the provision of services for HIV/Aids patients. These range from VCT, provision of ARV's, TB etc.

1.3.5 EDUCATION AND SKILLS

1.3.5.1 Education Profile

Education levels have a major bearing on the quality of life. The inability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills and be trained.

The following table indicates educational levels within the Municipality:

Education Level	%
None	22%
Some Primary	32%
Complete Primary	8%
Some Secondary	27%
Grade 12	7%
Higher Education	4%
Total	100%

Table 9: Education Level



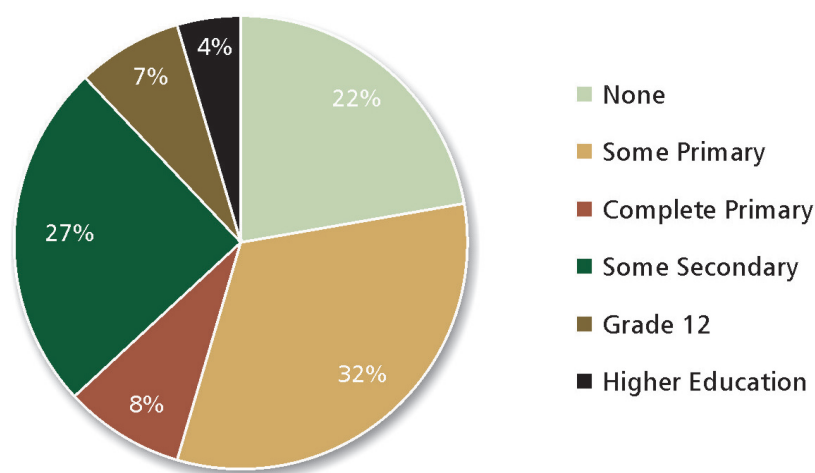


Figure 9: Education Levels

It is evident that more than 60% of individuals ranging from no formal education to primary levels are dominant within the Municipality. This is a major challenge which contributes to low household income levels which further limit the ability of families to invest into the education of youthful members.

Umzimkhulu has 176 public schools recognized by the Department of Education including one technical college. Much of the education-associated problems are experienced in farms and rural schools. Existing schools do not offer up to standard science and technical subjects. School property is continuously vandalized. Most schools lack water and sanitation and the infrastructure of most schools is a health hazard to the pupils.

Effects or consequences of the problems are:

- Low educational levels for the youth in the area.
- Low science and technical skills base.
- Migration of youth to urban areas.
- High unemployment rates.
- High dependency rates.
- Employment to low paying jobs.
- Poor payments for services rendered by the Municipality.



To assist in promoting reading, the Municipality has a public library in the CBD that is currently under renovation with assistance from the Department of Arts Culture and Tourism. The library is well resourced in terms of book material due to numerous donations that have been received.

Projects that will be undertaken through the library auspices include;

- Creating library awareness to generate interest from the communities so that satellite libraries can be built in areas where there is interest.
- Establishing a computer centre with an internet café and free computer lessons will be offered to the community.

1.3.6 EMPLOYMENT PROFILE

1.3.6.1 *Employment Status*

As indicated above, the level of education that the individuals possess contributes towards employability. The table below shows the current status of employability in the Municipality. The figure indicates high unemployment figures, which can be interpreted to mean high dependency ratios and low affordability levels.

Status	Umzimkhulu Municipality
Employed	10%
Unemployed	22%
Scholar or student	23%
Home-maker or housewife	14%
Pensioner or retired person/too old to work	5%
Unable to work due to illness or disability	5%
Seasonal worker not working presently	1%
Does not choose to work	8%
Could not find work	12%
Total	100%

Table 10: *Employability Status*



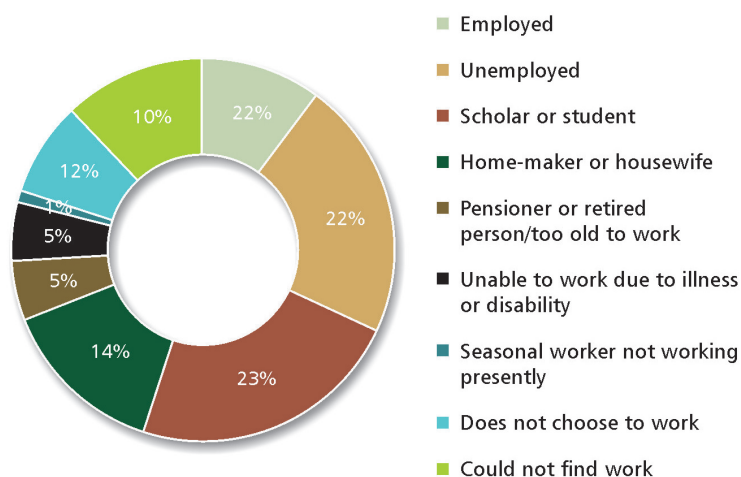


Figure 10: Employable Status

1.3.6.2 Individual Monthly Income

The table below indicates more than 52% of individuals with no income which pushes more households below poverty levels, which is an equivalent of R8.00 per day. It is not surprising to have huge numbers of individuals with low income levels which correspond with their educational levels and their ability to effectively compete for higher paying employment.

Individual Monthly Income Levels	
Income Range	Percentage
No income	52%
R1 - R400	17%
R401 - R800	11%
R801 - R1 600	7%
R1 601 - R3 200	6%
R3 201 - R6 400	4%
R6 401 - R12 800	2%
R12 801 - R25 600	1%
R25 601 - R51 200	0%
R51 201 - R102 400	0%
R102 401 - R204 800	0%
R204 801 or more	0%
Total	100%

Table 11: Individual Monthly Income Ranges



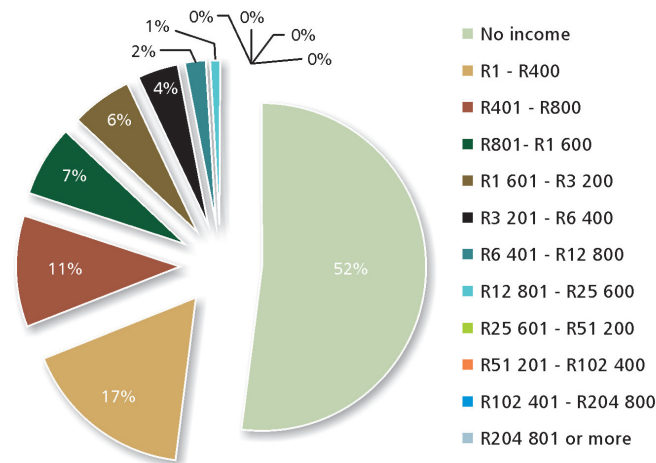


Figure 11: Individual Monthly Income Ranges

1.4 EXECUTIVE SUMMARY

Vision

"Delivery of Quality Services in Umzimkhulu"
"Ukunikezelwa kosizo lwezentuthuko olufanele eMzimkhulu"

Mission

"We will develop institutional capacity and use all available resources to ensure quality services and accountability through public participation."

Core Values

The Institution is guided by the Batho Pele Principles and the following core values:

- Transparency (openness with due regard to confidentiality).
- Commitment to excellence (desire to serve the community).
- Accountability (to report back to the community on our mandate and define actions).
- Cultural diversity (respecting different cultural values in Umzimkhulu).
- Integrity (dedicated to the adherence to a strict moral and ethical code of conduct in the execution of our duties and responsibilities).





1.4.1 STRATEGIC PRIORITIES

The following highlights the Municipality's strategic issues:

- To develop systems to facilitate co-operative governance and inter-governmental relations especially with the district, other spheres of government and service providers to maximise the development impact within Umzimkhulu Municipality.
- To build capacity and skills of the community, Councillors and staff of Umzimkhulu Municipality, to deepen democratic participation in decision making and all development processes and to facilitate horizontal and vertical communication with all stakeholders.
- To reduce the backlog in services such as waste removal and physical infrastructure such as roads as well as social infrastructure such as clinics, sports and recreation facilities, libraries and arts and culture.
- To manage municipal financial resources in a way that will ensure financial viability and sustainability, and the alignment of the budget with the needs and priorities of the stakeholders.
- To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the Municipality and to address them holistically.
- To develop an organisational architecture, business processes and policies, which will enable the Municipality to fulfil its constitutional and legislative mandates and achieve its vision and mission.
- To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction and improves BBBEE.
- To address issues of youth, women, disabled and vulnerable sectors of society on an integrated basis.
- To ensure that the number of households eligible for free basic services is increased.
- To manage and promote informed integrated planning, development, housing and local economic development that accelerates service delivery and ensures sustainable communities.

KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES
1. Municipal Transformation and Institutional Development	1) Acknowledgement of transitional status of the Municipality's institutional arrangement.	a. To address issues of the youth, women, disabled and vulnerable sectors of society on an integrated basis. b. To develop systems to facilitate co-operative governance and inter-governmental relations especially with the District, other spheres of government and service providers to maximize the development impact within Umzimkhulu Municipality.	<ul style="list-style-type: none"> Improving educational attainment levels of the area and skills development of all people, especially the youth, women and other vulnerable groups.
2. Local Economic Development	1) Poverty, unemployment, HIV and AIDS and other diseases, are regarded as the main socio-economic challenges that the Municipality needs to address in the short, medium and long term. 2) Economic growth of the municipal area is also very critical in the creation of sustainable jobs and the building of Public-Private Partnerships. 3) Speed up land reform and agricultural development.	a. To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction, rates base increase, and improves broad-based black economic empowerment and the development of small and medium enterprises in various economic sectors, with particular emphasis on agriculture and tourism. b. To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the Municipality and to address them holistically.	<ul style="list-style-type: none"> Growing the local economy to create sustainable job opportunities, reduce poverty and increase the revenue base of the Municipality.





KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES
3. Basic Service Delivery and Infrastructure Investment	<ol style="list-style-type: none"> 1) The challenge is to improve the rate at which service delivery is taking place and ensure that all people have access to basic services and integrated human settlement in line with the new national housing policy. 2) Provision of social facilities and services such as health and welfare, and the dire need to maintain existing physical and social infrastructure. 	<ol style="list-style-type: none"> a. To ensure that in line with national goals, all households have universal access to clean and portable water and decent sanitation by 2009. b. To ensure that in line with national goals, all households have universal access to electricity by 2012. c. To ensure that the number of households eligible for Free Basic Services is increased. d. To reduce the backlog in services such as waste removal and physical infrastructure such as roads as well social infrastructure such as clinics, sports and recreation facilities, libraries and arts and culture. e. To eliminate all slums by 2010 in line with provincial goals and ensure decent rural housing delivery within the framework of sustainable and integrated human settlements. 	<ul style="list-style-type: none"> • Addressing service delivery backlogs, meeting basic needs of the people, and free basic services.
4. Financial Viability and Financial Management	<ol style="list-style-type: none"> 1) Ensure that Umzimkhulu Municipality is financially viable and sustainable and align its budget with Integrated Development Plan Priorities. 	<ol style="list-style-type: none"> a. To manage municipal financial resources in a way that will ensure financial viability and sustainability of the Municipality, and the alignment of the budget with the needs and priorities of stakeholders. 	<ul style="list-style-type: none"> • Ensure that financial management systems are structured to increase municipal revenue. • Ensure alignment of municipal development priorities with budgetary allocations.
5. Good Governance and Community Participation	<ol style="list-style-type: none"> 1) The strengthening of community participation in the development process, co-operative governance and communication is also vital in ensuring that the developmental needs and priorities of the people are addressed properly. 2) Improving the skills and capacity of all officials, Councillors and all people of Umzimkhulu Municipality need to occupy a central stage and integrated in all activities of the Municipality. 	<ol style="list-style-type: none"> a. To develop an organisational architecture, business processes and policies, which will enable the Municipality to fulfil its constitutional mandate and achieve its vision and mission. b. To build the capacity and skills of the community, Councillors, and staff of Umzimkhulu Municipality, to deepen democratic participation in decision making and all development processes, and to facilitate horizontal and vertical communication with all stakeholders. 	<ul style="list-style-type: none"> • Forging strategic partnerships with the District Municipality and other stakeholders to realize the vision of the Municipality

KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES
6. Performance Management Systems	1) Development of stringent culture of high administrative standards and accountability.	a. Effective institutional management implementation.	<ul style="list-style-type: none"> • Improve service delivery through proper and effective administrative structures.
7. Spatial Development Framework	1) Effective management of development pockets and growth areas.	a. To facilitate coherent development of all growth areas. b. To maximize the economic potential of Umzimkhulu Municipality Town and Corridor as a transitional cross-border municipality.	<ul style="list-style-type: none"> • Ensure harnessing of socio-economic opportunities provided by regional development. • Optimal utilization of advantages provided by the R56 secondary provincial corridor.





1.4.2 LEGISLATIVE MANDATES

Governing Legislation

- The Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996).
- Municipal Finance Management Act No. 56 of 2003 Treasury Regulations.
- Municipal Structures Act No. 117 of 1998.
- Municipal Systems Act No. 32 of 2004.
- Municipal Property Rates Act No. 6 of 2004.
- Intergovernmental Framework Relations Act No. 13 of 2005.
- Division of Revenue Act No. 5 of 2005.
- Promotion of Administrative Justice Act No. 3 of 2000.
- Remuneration of Public Office Bearers Act No. 20 of 1998.
- Disaster Management Act No. 56 of 2000.
- Town Planning Ordinance Act 6 of 1998.
- Local Authorities Ordinance Act No. 25 of 1974.

Generic Compliance

- Promotion of Access to Information Act 2 of 2000.
- Labour Relations Act, 66 of 1995.
- Basic Conditions of Employment Act, 75 of 1997.
- Skills Development Act 78 of 1998.
- Employment Equity Act 55 of 1998.
- Preferential Procurement Policy Framework Act, No. 5 of 2000.
- Broad Based Black Economic Empowerment Act, No. 53 of 2002.
- State Information Technology Agency Act, No. 38 of 2002.
- Occupational, Health, and Safety Act, No. 85 of 1993, as amended.

1.4.3 UMZIMKHULU INSTITUTIONAL ARRANGEMENTS

Umzimkhulu Municipality is comprised of five departments that are aligned to the Integrated Development Plan and reporting directly to the Municipal Manager. They are as follows:

- Budget & Treasury.
- Corporate Services.
- Social and Community Services.
- Strategic Planning, LED and Housing.
- Infrastructure.



1.4.4 GOVERNANCE

The Municipality is a category B municipality as defined in Section 9 of the Municipal Structures Act 117 of 1998. The Municipality has a collective executive system combined with a ward participatory system. The Council is the legislative body, which is empowered to take decisions, inter alia concerning by-laws, the Integrated Development Plan, and the budget.

1.4.4.1 *The Speaker*

The Speaker is the Chairperson of Council and is elected in terms of S36 of the Municipal Structures Act 117 of 1998. The Speaker ensures that Councillors comply with the Code of Conduct set out in Schedule 5. Specific functions are assigned to the Speaker by S37 of the Structures Act including:

- Presiding and maintaining order at the meetings of Council.
- Performing the duties and exercising the powers delegated to the Speaker in terms of S32 of the same Act.
- Ensuring that Council meets at least quarterly.
- Ensuring that Council meetings are conducted in accordance with the rules and orders of the Council.

The Speaker's responsibility has been further extended to include a political oversight role in respect of monitoring and reporting on the performance of ward participatory mechanisms and managing community participation through these mechanisms.

1.4.4.2 *The Mayor*

The Mayor has an overarching strategic and political responsibility and is at the centre of the Umzimkhulu Municipality's system of governance. The Mayor is elected by Council in terms of S48 of the Structures Act and functions as the executive leadership of the Municipality.





In terms of S49 of the Structures Act the Mayor has, the following functions and powers and in terms of this section has the duty to report to Council on all decisions taken by him:

- Presides at meetings of the Executive Committee.
- Performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by the Council or the Executive Committee.

Powers and functions designated by the Municipal Council must be exercised by the Mayor together with the other members of the Executive Committee.

1.4.3.3 Committees of Council

The Council of Umzimkhulu Municipality is supported by a Committee System, established in terms of S79 of the Municipal Structures Act 117 of 1998. The Council nominates the Chairpersons to these committees and determines the functions of each committee and in doing so may identify the need to delegate duties and powers to each. The Municipality currently has committees comprising members of all political parties in the Council and these committees play a pivotal role in the development of policy and monitoring of service delivery to citizens of Umzimkhulu.

1.4.5 POWERS & FUNCTIONS OF UMZIMKHULU MUNICIPALITY

Schedule 4 Part B Functional Areas of Exclusive Provincial Legislative Competence

Amusement facilities
Billboards and the display of advertisements in public places
Cemeteries, funeral parlours and crematoria
Cleansing
Control of public nuisances
Control of undertakings that sell liquor to the public
Facilities for the accommodation, care and burial of animals
Licensing of dogs
Licensing and control of undertakings that sell food to the public
Local amenities
Local sport facilities
Markets
Municipal abattoirs
Municipal parks and recreation
Municipal roads
Noise pollution
Pounds
Public places
Refuse removal, refuse dumps and solid waste disposal
Street trading
Street lighting
Traffic and parking



**Schedule 5 Part B
Functional Areas of Concurrent National and Provincial
Legislative Competence**

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Fire Fighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other law
- Stormwater management systems in built-up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems

Table 12: Powers & Functions



CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

The following table is a report on service delivery backlogs:

Backlogs	30 June 2009	
	Budget	Actual
Refuse Removal Backlogs		
Backlogs to be eliminated (no. of households not receiving minimum standard of service)	2 400	0
Backlogs to be eliminated (percentage-HH identified as backlogs / total HH)	100%	60%
Spending on new infrastructure to eliminate backlogs (Rand 000)	R1,000,000	R400,000
Electricity Backlogs		
Backlogs to be eliminated (percentage-HH identified as backlogs / total HH)	100%	59%
2005/2006 - 3209 connections	R55,000,000	R44,284,200
2006/2007 – 0 connections	-	-
2007/2008 – 1735 connections	R30,000,000	R26,025,000
2008/2009 – 1300 connections	R56,430,000	R19,500,000
Spending on renewal of existing infrastructure to eliminate backlogs	R70,000,000	R69,000,000
Roads Backlogs		
Backlogs to be eliminated (No. km's not Providing Minimum Standard of Service)	900km	900km
Backlogs to be eliminated (Percentage - KM's identified as backlogs / total KM's)	100%	64.3%
Spending on new infrastructure to eliminate backlogs	R15,505,716	R15,505,716
Spending on renewal of existing infrastructure to eliminate backlogs	R6,832,660	R6,832,660
Total spending to eliminate backlogs (Rand 000).	R22,388,376	R22,388,376
Spending on maintenance to ensure no new backlogs created (Rand 000)	R2,200,000	R2,150,000
Housing		
Number of new houses built in the Municipality during the financial year	None	None
Revenue - Finance		
Collection levels for revenue due. Implementation of MPRA	90%	40%

Table 13: Service Delivery Backlogs





The Municipality has made great strides in improving the backlogs, despite many challenges faced, especially limited resources, the inability to attract skilled staff and lack of waste disposal equipment. The low revenue collection was due to delays experienced in serving summons to debtors. However, planned improvements are underway.

Building Controls

The following table illustrates plans submitted and approved for 2008/2009 compared to 2007/2008:

Description	Plans Submitted	Plans Approved		
	2007/2008	2008/2009	2007/2008	2008/2009
No. of Plans	33	29	25	21
Estimated Value of Construction	R26,370,000.00	R6,407,000.00	R26,370,000.00	R6,407,000.00
Plan Fees		R29,673.49		R29,673.49
Total Area	3,986 m²	1753m²	8085m²	1753m²

Table 14: Plans Submitted, Plans Approved and Completions

Building and Zoning Plans 2008/2009

The function of building plans, applications, review and approval has been hindered by the delay in the transfer of Umzimkhulu Municipality from the Cape Ordinance to the KwaZulu-Natal Ordinance. This matter is being attended to with the relevant government departments and the Municipality is in the process of strengthening the capacity of the planning function.

Integrated Human Settlements

Umzimkhulu Municipality has no municipal owned housing properties that are leased or rented out to the community. In some of the villages the People's Housing Process has not yet been implemented. There are, however, problems with some of the houses that have been built, as they are unoccupied by the beneficiaries and as a result they are falling apart and are prone to vandalism.

The Department of Housing is currently reviewing the housing sector plan to align it to KwaZulu-Natal housing objectives.





In terms of housing, the unit has created a database. A format to record the applications has been designed and the list of applications has been compiled. For the finalisation of Umzimkhulu Town Planning Scheme the Municipality is awaiting the completion of extension of Natal Ordinance to incorporate Umzimkhulu.

Absence of the building inspector creates problems & affects the functioning of the department and the Municipality at large. The lack of capacity in assessing & considering plans for approval as required and to conduct inspections has also been a problem.

The municipality has embarked on a land audit, which was completed in November 2007. The land legal issues will be dealt with when the audit has been completed. Land Acquisition and Disposal Policy as well as the Implementation Plan (Procedure Manual) has been developed and approved by the Municipality.

Affordable/ Middle Income Projects

These are the existing Housing Projects

- Clydesdale PHP 900 units
- Ibisi 636 units
- Riversdale Phase 1 470 units
- Riversdale Phase 2 500 units
- Umzimkhulu ext 5 & 6 709 units
- Umzimkhulu Villages 235 units

The following table below indicates the New Housing projects for 2008/2009:

NEW HOUSING PROJECTS FOR 2008/2009	
RURAL HOUSING PROJECTS	
• Mvubukazi (500 units)	
• Mfulamhle (500 units)	
• Mabandla (500 units)	
• Khiliva (500 units)	
• Roodevaal (350 units)	
SLUMS CLEARANCE PROJECTS	
• Sisulu Extension 9 & 10 (100 units)	
• Skoonplaas (50 units)	

Table 15: Housing Projects for 2008/2009



2.2 MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

CORPORATE SERVICES

Capacity building

Every year Umzimkhulu Municipality conducts a skills audit and crafts a work place skills plan (WSP) in June for the following financial year.

Umzimkhulu Municipality has concentrated on the following programmes during the 2008/2009 financial year:

- Minute taking.
- Report writing.
- Basic, intermediate, and advanced computer training.
- Records management.
- Labour law.
- Leadership development programme.
- Diversity management.
- Financial management.
- Training on systems such as VIP and Munsoft.
- Contract management and SCM processes.
- Life skills.
- Communication and presentation skills.
- Project management.

The above training interventions have made a huge impact in making Umzimkhulu Municipality deliver quality services to its people.

Policy Development

Since 2006/2007 financial year Umzimkhulu Municipality has been introducing policies and procedures as well as systems in the Municipality to ensure that we are efficient in the work that we do.

In the last financial year Umzimkhulu Municipality has been able to review policies:

- Recruitment and Selection of New Employees.
- Leave Administration.



- Occupational Health and Safety.
- Wellness Policy.
- HIV and AIDS Policy.

Umzimkhulu Municipality has introduced the following new policies:

- Filing System.
- Registry Procedure Manual.
- Human Resource Strategy.
- Overtime Policy.

Learnership and internships

Due to the lack of necessary skills which is a national challenge, Umzimkhulu Municipality has made their own contribution in terms of skills development in the country. In partnership with the following stakeholders, Umzimkhulu Municipality has implemented learnerships and internship programmes:

- Office of the Premier.
- Provincial Department of Local Government and Traditional Affairs.
- Department of Labour.
- Local Government (LG) SETA.
- Lulu Gwagwa Consulting and Development.

Together with these stakeholders Umzimkhulu Municipality has trained more than 180 young people in the following areas:

- Construction Carpentry.
- Construction Masonry Bricklaying.
- Construction Road Works.
- Construction Plumbing.
- Social Facilitation.
- Business Management.

Provision of Effective and Efficient Administrative Support Services

This is one area that Umzimkhulu Municipality has been lacking in, but during 2008/2009, Umzimkhulu Municipality has done the following to turn around the situation:

- Increased staff members by appointing interns.





- Trained committee clerks and secretaries particularly in minute taking and report writing which has improved the quality of minutes of meetings.
- Appointed a travel agent that is very efficient in terms of official trips for Councillors and staff.
- Meetings of Council are recorded.

Proper Records Management

In line with the Archives Act, Umzimkhulu Municipality has introduced measures to ensure improved record keeping. Some of the key measures that have been introduced are:

- A registry procedure manual.
- A proper filing system with the assistance of the Provincial Archives.
- The installation of a steel filing cabinet.

Full Implementation of the VIP System

Umzimkhulu Municipality has fully utilised the VIP modules such as:

- Training.
- Leave Administration.
- Employment Equity.
- Payroll.

This has made Umzimkhulu Municipality's work simpler and more efficient. The Municipality can produce any report easily and quickly in relation to the above areas.

Implementation of Performance Management System

A Performance Committee for the assessment of Managers was established. The assessment is done quarterly. Umzimkhulu Municipality has a framework that was adopted by Council and reviewed timeously. Every year all Senior Managers enter into a performance agreement with the Municipal Manager in line with the Municipal Systems Act.





Job Evaluation

For the past few years Umzimkhulu Municipality has been busy with the job evaluation process that was started while they were still under the Eastern Cape Province. This process was concluded during 2008/2009.

Organisational Review

On an annual basis Umzimkhulu Municipality is required to review the organisational structure. This is normally done together with the IDP and budget so that there is alignment. During 2008/2009 Umzimkhulu Municipality has done this successfully and it was then adopted by Council accordingly.

Library Services

Membership Statistics

The following are the statistics for the membership. The library had closed for renovations in January 2009 therefore there are no figures available for the last six months of the financial year.

Month	Adults	Young Adults	Juveniles	Total
July 2008	679	295	263	1237
August 2008	16	11	6	33
September 2008	12	7	7	26
October 2008	26	6	8	40
November 2008	10	1	2	13
December 2008	2	-	-	2
January 2009	Not available	Not available	Not available	Not available
February 2009	Not available	Not available	Not available	Not available
March 2009	Not available	Not available	Not available	Not available
April 2009	Not available	Not available	Not available	Not available
May 2009	Not available	Not available	Not available	Not available
June 2009	Not available	Not available	Not available	Not available
Total	745	320	286	1351

Table 16: Library Membership Statistics

Circulation of Library Material

The following are the statistics for the circulation of library material. The library had closed for renovations in January 2009, therefore there are no figures available for the last six months of the financial year.



Library	Print material
July 2008	2649
August 2008	2583
September 2008	2708
October 2008	4940
November 2008	9695
December 2008	125
January 2009	Not available
February 2009	Not available
March 2009	Not available
April 2009	Not available
May 2009	Not available
June 2009	Not available
Total	22700

Table 17: Circulation of Library Material Statistics

Photocopies, number of books used for reference purposes, and number of users used library for study purposes

The following are the statistics for photocopies, number of books used for reference purposes, and number of users who used library for study purposes. The library had closed for renovations in January 2009, therefore there are no figures available for the last six months of the financial year.

Library	Est. number of photo-copies	Est. number of books used for reference purposes	Est. number of Users used the library for study purposes	Total
July 2008	700	2,800	3,000	6,500
August 2008	530	3,700	2,800	7,030
September 2008	340	5,000	4,400	9,740
October 2008	970	12,300	8,060	21,330
November 2008	676	7,000	5,900	13,576
December 2008	-	28	21	49
January 2009	Not available	Not available	Not available	Not available
February 2009	Not available	Not available	Not available	Not available
March 2009	Not available	Not available	Not available	Not available
April 2009	Not available	Not available	Not available	Not available
May 2009	Not available	Not available	Not available	Not available
June 2009	Not available	Not available	Not available	Not available
Total	3,216	30,828	24,181	58,225

Table 18: Photocopies; No. of books used for Reference purposes and No. of Users who visit the library for Study purposes





Traffic & Protection Services

The following table reflects statistics for the traffic and protection services.

Month	Warrants Of Arrest	Drunken Driving	Section 56 Notices
July 2008	30	3	39
August 2008	29	9	45
September 2008	10	10	25
October 2008	7	-	28
November 2008	38	-	52
December 2008	45	-	49
January 2009	10	-	23
February 2009	59	-	70
March 2009	3	7	19
April 2009	34	42	48
May 2009	5	21	23
June 2009	58	19	60
Total	328	111	481

Table 19: Traffic Protection Services Statistics

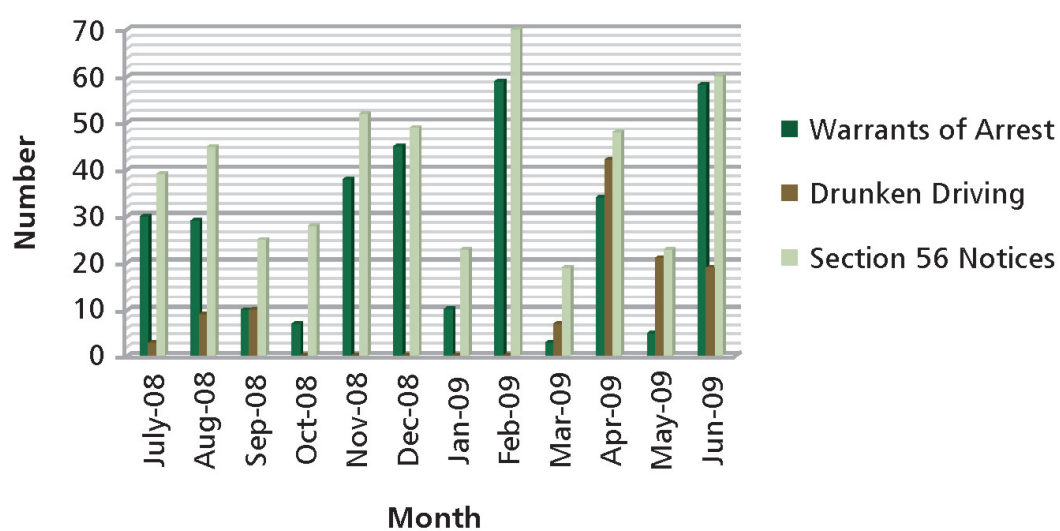


Figure 12: Traffic Protection Services Statistics



Crime Prevention

The following successes were achieved by the Crime Prevention Unit:

Details	Total
Murder	1
Attempted Murder	0
Unlicensed Firearm	7
Recovery of Firearms	7
Recovery of Homemade Firearms	0
Possession of Ammunition	7
Theft of Motor Vehicles	0
Recovery of Motor Vehicles	0
Drunken Driving	23
Hi-Jacking	0
Dagga	6
Dealing in Alcohol	120
Dealing in Fake DVD's	0
Armed Robbery	4
Housebreaking	3
Possession of stolen property	8
Theft	9
Miscellaneous Arrests	185
Recovery of Miscellaneous Goods	582

Table 20: Arrests & Recoveries Statistics

INFRASTRUCTURE AND ENGINEERING DEPARTMENT

In the 2008/2009 year, the Municipality has seen a drastic change in terms of infrastructure development. This was visible through the increase in the Municipal Infrastructure Grant (MIG) to an amount of R22 million. This enabled the Municipality to construct six gravel roads totalling 30km, two sports fields and course way structure. These projects are at an average of 85 % completion and funding has been spent successfully. This funding increase also accommodated construction of seven access roads and taxi ranks. Villages such as Deda in the Ward 3 and Rocky Mount in the Ward 10 have been one of the Municipality's priorities since they had not benefited from service delivery initiatives prior to 1994.





The Department of Sports & Recreation funded rehabilitation of two sports fields and two combo courts to the value of R2,4 million and all these facilities have been completed. When driving around all 18 wards of Umzimkhulu, there is evidence of construction activity and vehicles. This is due to the R120 million funding received from the KwaZulu-Natal Department of Transport for the rehabilitation of all the provincial and district roads within the Municipality. This was to ensure that the goal of the widening Route P416 from Umzimkhulu town up to Magalela (N2 intersection) and surfacing of the main routes such as P601, P749, and P417 can materialise.

The Department of Local Government and Traditional Affairs has also funded the Municipality an amount of R29 million over the 2007/2008 and 2008/2009 financial years. This has greatly assisted in projects such as surfacing of Skoonplaas Access Roads and Umzimkhulu Main Street, purchase of refuse trucks and bins. These projects have been lacking funding for the past three financial years.

A major achievement has been made with the completion of the Council Chamber. This has also materialised through an intervention from the Department of Cooperative Governance & Traditional Affairs who funded R6, 3 million. The minor snags that have been identified are currently being attended to.

The Minister of Local Government and Traditional Affairs has been invited for the official opening of the building. Due to the funding by the Department of Local Government and Traditional Affairs of R56 million over two financial year (2007/2008 and 2008/2009), the Sisonke District Municipality has managed to fund the refurbishment of all existing water schemes, electrification projects in Wards 11, 13, 14 and 15. The flood protection study is also in place which will also inform some of the projects that emanated from the urban Regeneration Study.

PLANNING AND HOUSING

The following are the projects that have been implemented by the Department: Strategic Housing and LED during the 2008/2009 financial year:

- Urban Regeneration Study.
- Completion of Umzimkhulu Master Plan /Framework Plan that will guide the development and upgrade of the Umzimkhulu Town Centre.
- Completion of Umzimkhulu Land Audit which seeks to streamline land ownership information.
- Completion of process of review of municipal bylaws so that there is an up-to-date legal basis for enforcement.
- Commencement of preparation of tourism strategies with various tourism opportunities.



- Continuation of Housing programmes focusing on residential flats and slum clearance. Furthermore, progress has been made on the assessment and upgrade of the existing low cost housing stock.
- Environmental management plan with initial focus on the CBD.
- Assessment of existing housing projects is completed and implementation of these projects is underway through the assistance of the Department of Housing and Sisonke District Municipality with regard to provision of bulk infrastructure services.
- Phase 1 of the Flood Line Protection Study has been completed.
- Umzimkhulu Municipality has managed to deal with the backlog on the development application for various land uses, e.g. rezoning applications, special consent, and sub-division. For this to continue smoothly, we need to deal with outstanding development applications in Umzimkhulu.
- Commencement of township establishment project with DFA application in respect of the Town Centre has already started.
- Completion on land and illegal matters projects.
- Submission of the draft 2008/2009 IDP and improvement from 28% to 66 %.
- LED summit held during August 2008.

2.3 LOCAL ECONOMIC DEVELOPMENT

Umzimkhulu Municipality adopted a Local Economic Development Strategy (LED) in July 2007. The national framework for LED in South Africa aims to support the development of sustainable local economies through integrated government action. This government action is developmental and stimulates the heart of the economy, which consists of a collection of enterprises including cooperatives that operate in local municipal spaces. LED is one of the five Key Performance Areas (KPA's) for Local Government. As a key performance area, LED is strongly interrelated and dependent on the other four KPA's.

The strategy identified the following sectors as the sectors that currently exist in Umzimkhulu.





Agriculture

Agriculture sector accounts for the largest formal number of employees in the Municipality. According to the information obtained from the local office of the Department of Agriculture, Umzimkhulu has excellent weather, high quality soils and river streams dissecting the landscape giving opportunities for high value agricultural production. It is reported that this sector declined after government funded schemes collapsed. People were too dependent on government for agricultural development. However, there is potential for growth with proper support (financial, technical, business) to farmers. The introduction of new technologies and new products will result in the growth of this sector.

Agriculture in Umzimkhulu consists of cattle and sheep farming, crop farming and poultry farming which are the most common ways of sustaining livelihood in the area. There are various projects that are initiated for farming but most of them are not sustainable as a result of poor management and marketing skills. Most of the projects that exist are good but misplaced e.g. breeding chickens in an area that has good soil, plenty of water and would make more economic sense for crop production than breeding chickens.

- The local municipality has attempted to assist the projects through providing for some of their requirements and assist in the registration of the various projects, but lacks coordination of the whole exercise.
- The human resource in the LED department of the Municipality is also not enough to carry out all the functions that this department is responsible for.
- There is also a problem with securing financial loans for the projects, however, some development banks are now assisting.
- Land tenure practices in the area can be regarded as one of the main factors hampering investment in agricultural production.
- In addition to this, the sprawl of low- density rural settlements can also be regarded as a leading factor in the loss of high potential productive agricultural land.
- Agriculture currently contributes only 2% of the Gross Geographic Product of the Municipal area.

Forestry

Forestry makes up most of the income generation in Umzimkhulu, however, most of these forests are privately owned. Singisi Forest is the biggest stakeholder of forestry in Umzimkhulu. According to information obtained through interviews, the forests cover 60 000 hectares. Singisi Forests is looking at expanding to twice the current capacity. Currently they have three (3) sawmills and a mushroom plant. The mushroom plant deals with packaging and exportation of mushrooms that are found in all the pine forests.

These forests currently have pine, gumtree, and wattle as the planted species. The pine is used for making furniture, building material, chemicals and cosmetics (pine gel). The gumtree and wattle don't create jobs in the area as they are mostly used for paper manufacturing and



Umzimkhulu doesn't have the plants to manufacture paper so it is sent to manufacturers in Richards Bay as a raw product.

The main threat to the forests is veld fires and livestock. Singisi has a fleet of fire extinguishers, however, more needs to be done in the actual prevention of veld fires.

As part of their Corporate Social Responsibility Plan the Hans Merenskie group (Singisi Forests) has community development projects that target education, training, and capacity building. These they achieve through providing bursaries, building schools and community clinics, etc. Furthermore, Singisi Forests have opened a trust fund in the areas where they have forests so they could plough back the money they make from the natural resource in the community. The trust fund is used at the community's discretion.

Community, Social and Other Personal Services

This is the second largest employment sector. It includes public administration, education, health and social work and other community, social and personal service activities and recreational, cultural and sporting activities.

Trade and Tourism

This is the third largest sector. It includes wholesale and retail trade, repair of motor vehicles, personal and household goods, accommodation establishments that to a large extent fall within a category of formal economy.

Tourism is recognised as one economic contributor that has major potential in boosting the economy of Umzimkhulu. The sector has just recently been explored with only a few projects completed. The competitive advantage of this sector is the availability of beautiful scenery, wildlife, monumental places, and forests that harbour rich bio diversity.

Currently, this sector is not properly marketed or advertised. However, for the growth of this sector various infrastructural assets that hamper the functioning of tourism require upgrade.

Economic activity in the informal economy, which has historically been difficult to define, is also growing. In the context of Umzimkhulu the informal economy ranges from people selling on tables on the street side to people operating from the transido and



mobile vendors. The working conditions of most of these traders are not conducive to the growth of their businesses.

The economy is also very fluid in that the consumer trend / interest is unpredictable for the kinds of goods they generally sell. Although some street furniture is provided some of it is left unused as the traders complain that there are no customers.

This furniture has become a "waiting area" for school children that are waiting for transport and need shade from the sun.

The traders that are selling from the streets and at the stands in the rank also have a problem with ablution facilities, amongst other things. There is poor parking space for deliveries and customers, an issue that can potentially discourage potential customers. There are also no storage facilities for these vendors and they end up renting at the transidos to keep their goods overnight. Even such space is not enough for all the traders.

The transidos accommodate hair salons, dressmakers, catering, appliance repairs, herbalists, and a driving school. The workers that are operating from transidos are operating with no water and ablution facilities.

Finance and Business Services

This sector has average performance in terms of number of employees but substantial GDP contribution and rapid growth over the last decade. However, this sector is largely dependent on the growth of the other sectors and the potential for direct growth in this sector is limited.

Youth Development

This includes the development of skills and knowledge for the youth to improve employment opportunities. This is achieved through internships and other community development programmes.

Environment

The current condition of the natural environment is reflected in terms of land cover characteristics. The plan reflects that a total of 18.2% of the overall municipal area consists of Degraded Unimproved Grassland. These degraded areas are mostly concentrated in the southern and eastern extent of the municipal area. Only 0.07% of the municipal area is under commercial cultivation, whilst 15.6% is under subsistence cultivation. Approximately 9.24% of the municipal area is under commercial plantations. Overgrazing, excessive/uncontrolled removal of vegetation, road construction activities, veld and forest fires and pollution are regarded as the main threats to the environment.





2.4 GOOD GOVERNANCE & COMMUNITY PARTICIPATION

Section 151(1) (e) of the South African Constitution, obliges municipalities to encourage the involvement of communities and community organisations in the affairs of local government. This is further emphasised by Section 16(1) of the Municipal Systems Act 32 of 2000, which requires the Municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

Umzimkhulu Municipality has continued with strengthening the public participation unit in the year under review. The Public Participation Practitioner did a wonderful job in making the unit well recognised in the Municipality and beyond. The following programmes and activities were conducted;

- Ensuring that all 18 wards were fully functional by holding meetings every month. All wards were regularly visited by the Office of the Speaker. One meeting was held where all ward committees were called to a central venue to get their views on the issues of service delivery and services provided by the Municipality to the community and also to comment on the 2007/2008 annual report. The meeting was a huge success and important views were expressed by the ward committees.
- The Municipality organised training of ward secretaries for two days. The training focussed on minute taking, keeping of records, and communication.
- All our ward committees received training through the assistance of the Department of Local Government and Traditional Affairs. The training focussed on the functioning of local government and the role of ward committees in issues of service delivery. R15, 000 was budgeted for each ward for the year under review through MSIG. The money was spent on strengthening administrative capacity of ward committees.
- The Municipality held public consultation meetings on the Integrated Development Plan (IDP) review. Two rounds of public consultation in November 2008 and March/April 2009 was held. The Municipality held public consultation meetings on the budget to ensure that the IDP was aligned to the budget.
- The Municipality visited all 18 wards soliciting the views of the people on issues of service delivery affecting them.



- The unit also dealt with the review of the communication strategy under the assistance of Department of Provincial and Local Government and GCIS. We also managed the production of the Umzimkhulu Newsletter. The newsletter was produced quarterly and proved to be very popular with the reading public in the Municipality. The Municipality improved on communication with the public.
- The Municipality also started the process to workshop the Draft Framework Document on Public Participation. This process will be completed in the 2009/2010 financial year.
- All Council and Special Council meetings were published through local newspapers.

Council held all statutory meetings as expected throughout the financial year and special meetings convened when needed. All Standing Committees held their monthly meetings as expected. On average each Standing Committee held 10 meetings. The observation made was that the Municipality needed to ensure that Councillors keep time scheduled for meetings. It is also critical that all Committees should submit reports to Council or Executive Committee. Ad Hoc Committees were appointed to deal with specific issues facing council.

The Executive Committee also was very consistent in meeting its calendar of meetings as scheduled. Special meetings were called when necessary and regular reports were submitted quarterly as expected by the legislation.

Other Council Committees like Rules Committee, Oversight Committee, and Audit Committees functioned throughout the year. The Office of the Speaker was instrumental in ensuring that Council structures functioned properly as expected. Rules of Council were reviewed in line with the recommendations of the Local Government Symposium.

One critical area that Council focussed on was the strengthening of oversight function over the executive and administration. Council adopted all the documents that were presented at the Local Government Symposium. This included the Oversight Framework for Councillors.

Due to the lack of funding Council could not conduct the community survey as expected by the Municipal Systems Act. This will be carried out during the 2009/2010 financial year.

The following table indicates the number of ordinary and special meeting and the average attendance per meeting:





Description	Number of		Average % Attendance
	Ordinary Meetings	Special Meetings	
Council	4	7	90%
Executive Committee	6	4	90%
Economic Development, Planning and Housing Development Portfolio Committee	9	-	95%
Community and Social Services Portfolio Committee	11	-	90%
Infrastructure Portfolio Committee	9	1	90%
Budget and Local Treasury Portfolio Committee	8	-	90%
Corporate Local Public Administration and HR Portfolio Committee	9	-	95%
Special Programmes Portfolio Committee	8	-	90%
Oversight Committee	3	-	100%
Performance Audit & Audit Committee	4	-	90%

Table 21: Attendance at Committee Meetings for 2008/2009

2.5 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

The Budget and Treasury Office prioritises the following projects:

- Debt management system implementation to integrate current system of debt management and revenue streams thereby enhancing financial viability.
- Property rates implementation to improve property rates register to comply with the implementation of property rates.
- Un-bundling of the budget statement and annual financial statements for the purpose of converting to GRAP/GAMAP.
- Development of annual reports in compliance with Chapter 12 of the MFMA.
- Development of procurement plans.
- Revenue enhancement strategy.
- Development of Disaster Recovery Plan.
- Development of Risk Management Plan.



The Budget Adjustment

The budget of 2007/2008 has illustrated that we need to improve significantly in terms of ensuring that accurate forecasts are included into the budget so that we do not have to unnecessarily adjust our budget as happened during this financial year.

Utilization of Grants

Umzimkhulu Municipality needs to work hard on ensuring that they are able to account for the grants that are received from various government departments. Thus, the intention is to allocate the responsibility for the management of grants to a specific official such that this function is afforded the necessary attention and resources, thus ensuring that grants are utilised for the intended purpose.

Pre-audit

Umzimkhulu Municipality has appointed a service provider to assist with the preparation for the upcoming audit. The aim is to improve the audit opinion. All managers are advised to cooperate with this process so that all issues that were raised during the last audit are corrected.

Community Participation

Umzimkhulu Municipality continues to do well in community participation which has been noted and welcomed by the community. The oversight committee has raised some areas of concern which Umzimkhulu Municipality will address. Umzimkhulu Municipality has noted that the community has not mastered participation in relation to written and published representation such as that used for the IDP, budget and annual report. The Municipality will devise a strategy to enhance out community's participation in this area.

Alignment of the IDP with the Budget

Ongoing improvement is needed here so that the Municipality can reach a stage where the budget is truly aligned with the IDP priorities. The IDP achieved 66% in the assessment and hopefully the Municipality works hard so that they have a truly credible IDP in the Municipality.

Revenue Enhancement

We must be able to reach our target of R10 million. This requires that we must have clear campaigns which we are going to follow within our communities that are receiving municipal services and are account holders. This includes the resolution of the valuation roll disputes. We must collect all our debts from the individual households and institutions that owe us.





2.6 COMMUNITY AND SOCIAL SERVICES

The community and social services department is dealing with community projects/programmes that assist community members in all wards of the Umzimkhulu jurisdiction. The funding of these projects is allocated from the equitable share. This includes the following list of projects:

Account Description	Budget 2008/2009
Library Carport	R40,000
Library Road Show	R50,000
Library Signage	R20,000
Public Education Campaign	R100,000
Poverty Alleviation and HIV/AIDS	R150,000
Library Promotional Material	R50,000
Sports (Kwanaloga Games)	R150,000
Total Budget	R560,000

Table 22: Community Projects

There are some projects that are not included above which are also important to the community such as social relief, which deals with communities that have been afflicted by acts of god and other disasters. The social relief programme assists such communities through the purchase of groceries, blankets and clothing for affected families. Pauper burial assists by burying unknown and unidentified bodies that are kept in governmental mortuaries for a period of six months or in cases where families cannot afford to bury their family members because of unforeseen circumstances. Services to the orphans is a programme that assists by providing food parcels and clothes to the four drop-in centres of the Umzimkhulu areas. In respect of the Kwanaloga sports programme the Municipality has allocated an additional R50, 000 to the R150, 000 already mentioned above.

Special Programmes Unit

The following is a list of priorities for the Special Programmes Unit for the coming financial year:

- Youth, women and people living with disability
- Voter education for youth
- Sport
- I.D. campaign
- Building of street crime committees
- HIV/AIDS





Safety and Security

Umzimkhulu has a number of police stations within its jurisdiction. The communities in some areas feel that the stations are not properly servicing them, as there is a low level of resources for the police to perform their jobs.

Based on interactions with various stakeholders and the community, issues that should be taken into account to improve this service include:

- Tightening up the relationship between SAPS and CPFs.
- Communication system must be provided for CPFs to contact SAPS.
- Street controls and by laws for taverns and shebeens (alcohol, drug abuse, fire - arms, knives and all other weapons of death).
- Law enforcement for illegal trading.

Sport and Recreation

Facilities for sport and recreation are currently minimal in Umzimkhulu. However, the Municipality has received funds for this purpose. This will assist in taking the youth off the streets in a constructive way.

Social Welfare

Due to the high poverty levels in Umzimkhulu, many families depend solely on social grants for sustenance. More than 77% of households earn less than R9, 600 per annum and live below the poverty line. The Umzimkhulu municipality has a high unemployment rate, only 10, 2% of the population is employed.

Transportation

There is a rail link connecting Pietermaritzburg with Riverside, Singisi, Kokstad and Matatiele. However, there are no national roads in the Municipality. The R56 regional road is the arterial, connecting different sections of the Municipality with adjoining areas.



CHAPTER 3: REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 June 2009

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met four (4) times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
V.E. Dlamini (Chairperson)	4
H.G.S. Mpungose	4
T.B. Mzolo	3
M. Mvulane	3
S. Kuboni (Adv.)	4

Audit Committee Responsibilities

The Audit Committee reports that it has substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the Municipal Finance Management Act. The Audit Committee operated in accordance with approved, written terms of reference.

The Effectiveness of Internal Control

Our review revealed that the Municipality has implemented systems of internal control for certain areas of its operations. Weaknesses in such systems of internal control that were identified by the Internal Audit have been raised with the Municipality.

We accept the conclusions of the Auditor-General on the annual financial statements and are of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Chairman:

Audit Committee

Date: 11 December 2009





CHAPTER 4: HUMAN RESOURCE & ORGANISATIONAL MANAGEMENT

4.1 ORGANISATIONAL STRUCTURE

The organisational structure of the Municipality was reviewed during the course of the year leading to a leaner and more cost effective structure. Job descriptions were compiled and submitted to the Principal Job Evaluation Committee for evaluation purposes and this project is almost completed.

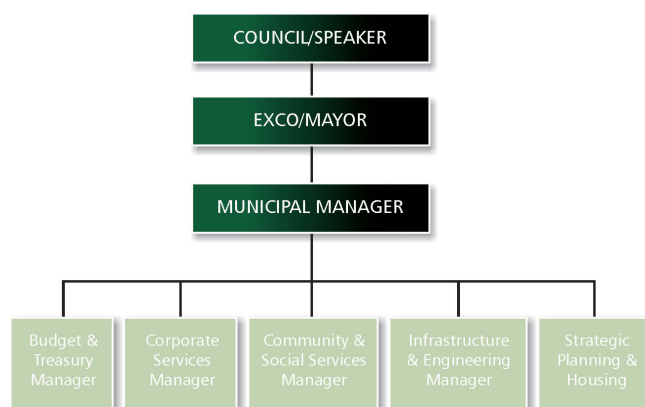


Figure 13: Umzimkhulu Municipal Organogram

HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

- **Human Resources**

The municipality has filled all Section 57 posts and 90 % of all other vacant posts have been filled. The Internship programme has assisted with the workload especially in the Finance unit. The complete organogram of the Municipality was completed in November 2007.

- **Skills Development**

The Workplace Skills Plan has been completed and is currently being implemented. However the lack of financial resources hinders the full implementation of the WSP. Skills that have been prioritized include management skills, Leadership skills and computer literacy. Learnership programmes within the Municipality are used to implement scarce skills.

An ABET programme is offered to the Municipality's staff and currently 12 staff members have enrolled.



- ***Labour Relations***

This function is handled by the Manager of the Corporate Services department.

4.2 EMPLOYMENT EQUITY & SKILLS DEVELOPMENT

In terms of section 13(1) of the Employment Equity Act 55 of 1998, the Municipality is required to achieve employment equity by ensuring that affirmative action is implemented targeting mainly the designated groups.

Umzimkhulu Municipality has continuously endeavoured to reach adequate representation of all designated groups at all job levels and categories. The Employment Equity Forum has been established resulting in the development of an Employment Equity Plan. The Employment Equity Plan 2008- 2011 has been presented and approved by Council.

The Plan aims to achieve the following:

- To ensure that candidates with potential from designated groups be identified and taken up into accelerated development plans.
- To ensure priority is given to the development of internal staff, to maximize internal recruitment and promotions.
- Allocating targets to the recruitment and promotion of designated groups.
- To eliminate subjective criteria that has no bearing on inherent job requirements.
- Employing culture-fair assessment tools for competence and potential assessments.
- To identify all barriers which hinders the advancement of the designated groups.

In order to achieve equal opportunity in the workplace, the Umzimkhulu Municipality has ensured that all promotions are aligned to the Employment Equity Act sec 15 (2) (c), 2(b) and 3(b) according to the targets and timeframes set by the Equity Forum.

Based on the Employment Equity Code of Good Practice, priority has been given to the development of designated groups to enhance their promotability and opportunities for experience and succession training.





The following table gives a clear indication relating to the demographics for 2008/2009:

Workplace Population	Male				Female				Total Employees
	A	C	I	W	A	C	I	W	
Number of Employees	41	2	0	0	59	0	0	0	102
Percentage	40	2	0	0	58	0	0	0	100

Table 23: Workplace Demographics for the Financial Year 2008/2009

The profile of the Municipality by Occupational Category for the financial year 2008/09 is:

Occupational Category	Designated							Total
	Male			Female				
	B	C	I	B	C	I	W	
Legislators, senior officials and managers	24	2	0	18	1	0	0	45
Professionals	9			12				21
Clerks	9			24				33
Elementary occupations	18			21				39
Total Permanent	60	2		75	1			138
Non permanent	0	0		0	0			0
TOTAL	60	2	0	75	1	0	0	138

Table 24: Employment Statistics by Occupational Category

Training and Development

The following are the details of officials trained during 2008/2009:

Training Course	No. of Officials Attended
Municipal Finance	5
Protocol	20
Payroll Administration	2
Registry	2
BComm Accounting	1
Advanced Computer Skills	12
Life Skills	40
Traffic Management	1
Municipal Leadership Development	3
Presiding & Investigating Officer	1
Health and Safety	10
Social Facilitation	18
Business Management	18

Table 25: Training Courses and Attendance



4.3 HUMAN RESOURCE GOVERNANCE

Umzimkhulu Municipality had a workshop to review all the Human Resource and Administration Policies on 10 and 11 September 2008. The Executive Committee, the Standing Committee, all HOD's and the Union were part of the workshop. After having discussed all these policies and relevant changes effected the policies were tabled in the Standing Committee and Exco and finally adoption by Council for adoption.

The policies are listed as follows:

- Recruitment and selection
- Appointment of new staff
- Relocation policy
- Probation policy
- Acting in higher positions policy
- Hours of work policy
- Termination of service policy
- Leave policy
- Leave encashment policy
- Wellness policy
- HIV/AIDS work place policy
- Occupational health and safety policy
- Sexual harassment policy
- Mentoring and coaching policy
- Multi-skilling policy
- Staff retention policy
- Bursary policy
- Training and development policy
- Policy on dress code and protective clothing
- Policy on experiential training and in-service training (new)
- HR strategy (new)

4.4 PERFORMANCE MANAGEMENT AND REPORTING

In order to instil high performance, the Municipality introduced a comprehensive performance management system in accordance with Chapter 6 of the Local Government Municipal Systems Act of 2000 and the Planning and Performance Management Regulations (2001).

The Performance Management Department has three sections - individual performance management, organisational performance management and research, reporting and monitoring.

Organisational and individual performance management was implemented using the balanced scorecard methodology.





4.5 STAFFING INFORMATION

Employee Assistance Programme

The following Employee Assistance Programmes were offered during the year:

- HIV /AIDS Awareness Workshop.
- TB Awareness Workshop.
- Personal Financial Management.
- Employee Assistance Programme Workshop.

Remuneration of Councillors

COUNCILLORS	AMOUNT R
Mayor	485,682.72
Speaker	388,545.96
Deputy Mayor	388,545.96
Exco Members (Full Time)	364,262.04
Exco Members (Part Time)	200,342.00
Councillors	145,704.00
TOTAL	1,973,082.68

Table 26: Councillors' Remuneration

Remuneration of Senior Officials

The following table shows the remuneration paid to senior management in the Municipality:

SENIOR MANAGEMENT	AMOUNT R
Municipal Manager	747 060.96
Chief Financial Officer	558 658.08
Head of Department: Community & Social Services	548 548.32
Head of Department: Infrastructure	558 658.08
Head of Department: Corporate Services	548 548.08
Head of Department: Strategic Planning & Housing	548 548.44
TOTAL	3,510,021.96

Table 27: Senior Officials' Remuneration

In Kind Benefits

- None



CHAPTER 5: FINANCIAL INFORMATION

5.1 Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF UMZIMKULU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Umzimkhulu Municipality which comprise the statement of financial position as at 30 June 2009, and statement of financial performance, statement of changes in net assets and the cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages [77] to [112].

The Accounting Officer's Responsibility for the Financial Statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's Responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those





standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 et seq. of the Standard of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Umzimkhulu Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Umzimkhulu Municipality as at 30 June 2009 and its financial performance and its cash flows for the year then ended, in accordance with Standards of GRAP and in the manner required by the MFMA.

Other Matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Material inconsistencies in information included in the annual report

9. I have not obtained the other information included in the annual report and have not been able to identify any material inconsistencies with the financial statements.

Unaudited Supplementary Schedules

10. Umzimkhulu Municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1, Presentation of Financial Statements. The



supplementary information in appendix E (1) to E (2) does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

11. The supplementary information in the appendix A to D does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon

Governance Framework

12. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance requirements addressed below:

Governance Responsibilities

13. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	<input type="checkbox"/>	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		<input type="checkbox"/>
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines as set out in of section 126 of the MFMA.	<input type="checkbox"/>	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The Umzimkhulu Municipality had an audit committee in operation throughout the financial year.	<input type="checkbox"/>	





No.	Matter	Y	N
	• The audit committee operates in accordance with approved, written terms of reference.	<input type="checkbox"/>	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	<input type="checkbox"/>	
7.	Internal audit		
	• The Umzimkhulu Municipality had an internal audit function in operation throughout the financial year.	<input type="checkbox"/>	
	• The internal audit function operates in terms of an approved internal audit plan.	<input type="checkbox"/>	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	<input type="checkbox"/>	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	<input type="checkbox"/>	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	<input type="checkbox"/>	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	<input type="checkbox"/>	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used, as set out in section 62(1)(c)(i) of the MFMA.	<input type="checkbox"/>	
12.	Delegations of responsibility are in place, as set out in section 106 of the MFMA.	<input type="checkbox"/>	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	<input type="checkbox"/>	
14.	SCOPA/Oversight resolutions have been substantially implemented.	<input type="checkbox"/>	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	<input type="checkbox"/>	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	<input type="checkbox"/>	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Umzimkhulu Municipality against its mandate, predetermined objectives, outputs, indicators, and targets, as required by section 68 of the MFMA.	<input type="checkbox"/>	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	

14. Although the financial statements were submitted timely and key officials were available during the audit, material adjustments were made to the financial statements as result of error noted during the audit. These adjustments were as a result of lack of ongoing monitoring and supervision over financial reporting.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Performance Information

15. I have reviewed the performance information as set out on pages __ to __.



The Accounting Officer's Responsibility for the Performance Information

16. In terms of section 121(3)(c) of the MFMA the annual report of a municipality must include the annual performance report of the Municipality, prepared by the Municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's Responsibility

17. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008 and section 45 of the MSA .
18. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
19. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

20. The assistance rendered by the staff of the Umzimkhulu Municipality during the audit is sincerely appreciated.



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Pietermaritzburg

Date: 30 November 2009



5.2 Accounting Policies

5.2.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless otherwise specified.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and applicable disclosures have been based on the Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. The municipality has utilised the transitional provisions set out in Directive 4 issued by the Accounting Standards Board.

The principle accounting policies adopted in the preparation of these financial statements are set out below.

These accounting policies are consistent with the previous period, except for the changes set out in note in the relevant policy.

5.2.1.1 INVESTMENT PROPERTY

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Municipality, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less any accumulated impairment losses.





Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

<i>Item</i>	<i>Useful life</i>
Property - buildings	30 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

5.2.1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are re-valued as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalized when the recognition and measurement criteria of an asset are met.



Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:

ITEM	AVERAGE USEFUL LIFE
------	---------------------

Infrastructure

- | | |
|--------------------|-------------|
| • Roads and paving | 30 years |
| • Pedestrian Malls | 30 years |
| • Electricity | 0-30 years |
| • Water | 15-20 years |
| • Sewerage | 15-20 years |

Community

- | | |
|---------------------------|-------------|
| • Buildings | 30 years |
| • Recreational facilities | 20-30 years |
| • Security | 5 years |

Other property, plant and equipment

- | | |
|--------------------------------------|-------------|
| • Buildings | 30 years |
| • Specialist vehicles | 10 years |
| • Other vehicles | 5 years |
| • Office equipment | 3-7 years |
| • Furniture and fittings | 7-10 years |
| • Watercraft | 15 years |
| • Bins and containers | 5 years |
| • Specialised plant and equipment | 10-15 years |
| • Other items of plant and equipment | 2-5 years |
| • Landfill sites | 15 years |

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.





Assets in construction are stated at historical cost. Depreciation only commences when the asset is commissioned into use.

5.2.1.3 INTANGIBLE ASSETS

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the Municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale.
- There is an intention to complete and use or sell it.
- There is an ability to use or sell it.
- It will generate probable future economic benefits.
- There are available technical, financial, and other resources to complete the development and to use or sell the asset.
- The expenditure attributable to the asset during its development can be measured reliably.





Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists, and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 - 5 years

Intangible assets are derecognised:

- on disposal; or
- When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

5.2.1.4 FINANCIAL INSTRUMENTS

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is



impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of financial performance within operating expenses. When a trade receivable is uncollected, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of financial performance.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Municipality's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest rate method.



Financial assets at fair value through profit or loss

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in surplus or deficit for the period.

5.2.1.5 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - Lessor

The municipality recognises finance lease receivables on the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Municipality's net investment in the finance lease.

Finance leases - Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - Lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the statement of financial performance.





Operating leases - Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

5.2 1.6 IMPAIRMENT OF ASSETS

The Municipality assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Municipality also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.



An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a re-valued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- First, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- Then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a re-valued asset is treated as a revaluation increase.

5.2 1.7 EMPLOYEE BENEFITS

Retirement Benefits

Whilst employees and Councillors are employed by the Municipality, the Municipality contributes to their medical aid and pension funds. On termination, resignation or retirement of employees and Councillors the Municipality no longer contributes to the medical aid and pension funds on their behalf and thus there are no post employment benefits.





5.2 1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- The Municipality has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- Has a detailed formal plan for the restructuring, identifying at least:
 - ~ The business or part of a business concerned;
 - ~ The principal locations affected;
 - ~ The location, function, and approximate number of employees who will be compensated for terminating their services;
 - ~ The expenditures that will be undertaken; and
 - ~ When the plan will be implemented; and



- Has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

5.2.1.9 GRANTS, TRANSFERS & DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer, or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

5.2.1.10 REVENUE FROM EXCHANGE TRANSACTIONS

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Municipality;
- The stage of completion of the transaction at the statement of financial position date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.





Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Service charges relating to refuse removal are recognized on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property, and are levied monthly.

Revenue from Non-Exchange Transactions

Revenue from rates is recognized when the legal entitlement to this revenue arises. Collection charges are recognized when such amounts are legally enforceable. Interest on unpaid rates is recognized on a time proportion basis.

Revenue from the recovery of unauthorized, irregular, fruitless, and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognized when the recovery thereof from the responsible Councillors or officials is virtually certain.

Interest and rental income is recognized on a time proportion basis.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions, or obligations embodied in the agreement. To the extent that the criteria, conditions, or obligations have not been met a liability is recognised.

5.2.1.11 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

5.2.1.12 COMPARATIVE FIGURES

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year.





5.2.1.13 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorized Expenditure

Unauthorized expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality, or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act no.56 of 2003). Unauthorized expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No.20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

5.2.1.14 USE OF ESTIMATES

The preparation of annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

5.2.1.15 PRESENTATION OF CURRENCY

These annual financial statements are presented in South African Rand.



5.2.1.16 OFFSETTING

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.

5.2.1.17 INTERNAL RESERVES

Government Grant Reserve

When items of property, plant, and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

This policy is applicable for the period ending 30 June 2008. This policy is not applicable in the current year in terms of new GRAP standards

5.2.1.18 INVESTMENTS

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks, are stated at cost.



Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

5.2.1.19 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

5.2.1.20 SEGMENTAL INFORMATION

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

5.2.1.21 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

5.2.1.22 CONTRIBUTIONS

Contributions reflected in the statement of financial performance consist of contributions to the leave reserve fund, working capital reserve (provision for bad debts). Leave provision is calculated on the number of compoundable leave days outstanding as at the Statement of financial position date, using the daily employment cost rate.





5.3 Annual Financial Statements

Statement of Financial Position

		Note(s)	2009 R	2008 R
Assets				
Current Assets				
Trade and other receivables from exchange transactions	31.20	8	842 289	792 248
VAT	31.20	9	1 752 753	6 209 038
Consumer debtors	31.20	10	1 690 297	1 336 440
Investments	27.29	7	41 939 718	46 935 823
Cash and cash equivalents	32.20	11	2 980 156	7 000
			49 205 213	55 280 549
Non-Current Assets				
Investment property	21.20	3	4 557 155	4 587 322
Property, plant and equipment	20.20	4	48 648 298	40 120 550
Intangible assets	23.22	5	611 786	420 721
Assets in construction	27.27	6	45 201 407	13 987 859
			99 018 646	59 116 452
Total Assets			148 223 859	114 397 001
Liabilities				
Current Liabilities				
Finance lease obligation	25.29	13	81 576	70 710
Trade and other payables	51.20	15	31 513 705	25 169 240
Unspent conditional grants and receipts	43.20	14	13 514 681	24 696 831
Bank overdraft	32.20	11	-	94 395
			45 109 962	50 031 176
Non-Current Liabilities				
Finance lease obligation	25.29	13	45 375	126 951
Total Liabilities			45 155 337	50 158 127
Net Assets			103 068 522	64 238 874
Net Assets				
Accumulated surplus	40.24		103 068 522	64 238 874





Statement of Financial Performance

	Note(s)	2009 R	2008 R
Revenue			
Property rates		1 769 494	1 355 423
Service charges		1 177 488	1 362 578
Rental Income		262 588	287 246
Interest received		675 318	574 823
Licences and permits		-	1 612 829
Government grants	17	95 706 877	35 539 678
Motor vehicle licences		222 361	99 539
Miscellaneous other revenue		1 001 211	763 947
Recoveries		158 851	139 168
Other income		-	2 729 169
Sundry income		3 535	689 288
Interest received - investment		743 396	1 026 305
Total Revenue		101 721 119	46 179 993
Expenditure			
Personnel	20	(17 368 495)	(14 749 493)
Remuneration of councillors	21	(6 931 983)	(5 782 678)
Administration		(101 492)	-
Depreciation and amortisation	22	(4 040 865)	(2 370 105)
Finance costs	23	(22 764)	(95 442)
Repairs and maintenance		(2 735 197)	(1 822 871)
General Expenses	18	(35 689 548)	(24 044 821)
Total Expenditure		(66 890 344)	(48 865 410)
Gains on disposal of assets		991 842	(75 049)
Surplus (deficit) for the year		35 822 617	(2 760 466)
Attributable to:			
Net Asset holders of the controlling entity		35 822 617	(2 760 466)



Statement of Changes in Net Assets

	Capitalisation Reserve	Government Grant Reserve	Accumulated Surplus	Total Net Assets
	R	R	R	R
Balance at 01 July 2007	-	13 998 838	10 786 159	24 784 997
Changes in net assets				
Net surplus/deficit for the year	-	-	(2 760 464)	(2 760 464)
Off-setting depreciation	-	(889 038)	889 038	-
Adjustments (Refer to note 27)	-	-	9 335 971	9 335 971
Transfer to Accumulated surplus	-	(13 109 800)	13 109 800	-
Deferred Charges transferred to Accumulated Surplus	-	-	32 878 370	32 878 370
Total changes	-	(13 998 838)	53 452 715	39 453 877
Balance at 01 July 2008	-	-	64 238 874	64 238 874
Changes in net assets				
Write off of accounts with no movement	-	-	1 717 071	1 717 071
Net profit for the year	-	-	35 822 617	35 822 617
Prior Year adjustments (Refer to note 27)	-	-	1 289 960	1 289 960
Total changes	-	-	38 829 648	38 829 648
Balance at 30 June 2009	-	-	103 068 522	103 068 522
Note(s)		12		



Cash Flow Statement

	Note(s)	2009 R	2008 R
Cash flows from operating activities			
Cash receipts from customers		51 888 301	44 730 939
Cash paid to suppliers and employees		(11 515 557)	(23 692 138)
Cash generated from operations	24	40 372 744	21 038 801
Interest income		743 396	1 026 305
Finance costs		(22 764)	(95 442)
Net cash from operating activities		41 093 376	21 969 664
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(12 445 775)	(18 451 774)
Sale of property, plant and equipment	4	669 098	-
movement in assets in construction		(31 213 548)	(13 987 859)
PPE Adjustments - Prior year		39 006	(4 377 003)
Movement in investments		4 996 105	(10 516 328)
Movement in government grant reserve		-	(889 038)
Deferred income		-	25 166 394
Net cash from investing activities		(37 955 114)	(23 055 608)
Cash flows from financing activities			
Finance lease payments		(70 710)	2 588
Total cash movement for the year		3 067 552	(1 083 356)
Cash at the beginning of the year		(87 395)	995 961
Net increase (decrease) in cash and cash equivalents	11	2 980 157	(87 395)





Notes to the Annual Financial Statements

	2009	2008
	R	R

2. Statements and interpretations not yet effective

At the date of authorisation of these annual financial statements, the following Standards and Interpretations were in issue but not yet effective and have not been early adopted by the Municipality:

- GRAP 18 - Segment Reporting.
- GRAP 23 - Revenue from Non-exchange transaction
- GRAP 24 - Budget Information
- GRAP 100 - Heritage Assets.

3. Investment Property

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	4 919 152	(361 997)	4 557 155	4 919 152	(331 830)	4 587 322

Reconciliation of investment property – 2009

	Opening Balance	Depreciation	Total
Investment property	4 587 322	(30 167)	4 557 155

Details of property

Erven 231 and 232 (Hotel and House)
Commencement: 1 December 1995
Duration : 12 Years
Termination date: 30 November 2007
Payments : Monthly in advance.

Erven 229, 735 and 736
(Land - Shopping Complex)
Commencement: 19th June 1996
Duration : 50 Years
Termination date: 18th June 2030
Payments : Year one 8 % of net rentals
: Year two 9% of net rentals
: Remainder 10% of net rentals

Which together with the 2% payable to the Trust will not be less than R14,800.00 per year.



4. Property, Plant and Equipment

	2009			2008		
	Cost / Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Land and buildings	15 946 323	(2 700 488)	13 245 835	15 349 873	(2 130 018)	13 219 855
Infrastructure	31 750 109	(5 362 932)	26 387 177	22 578 806	(3 179 089)	19 399 717
Community	4 815 654	(611 681)	4 203 973	3 406 033	(463 125)	2 942 908
Other property, plant and equipment	9 299 903	(4 831 195)	4 468 708	9 377 903	(4 819 833)	4 558 070
Heritage	342 605	-	342 605	-	-	-
Total	62 154 594	(13 506 296)	48 648 298	50 712 615	(10 592 065)	40 120 550

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Disposals	Transfers	Other changes, movements	Deprecia- tion	Total
Land and buildings	13 219 855	978 985	(40 001)	(342 605)	-	(570 399)	13 245 835
Infrastructure	19 399 717	9 171 303	-	-	-	(2 183 843)	26 387 177
Community	2 942 908	1 409 620	-	-	-	(148 555)	4 203 973
Other fixed assets	4 558 070	885 867	(68 157)	-	39 005	(946 077)	4 468 708
Heritage	-	-	-	342 605	-	-	342 605
	40 120 550	12 445 775	(108 158)	-	39 005	(3 848 874)	48 648 298

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Disposals	Transfers	Other changes, movements	Deprecia- tion	Total
Land and buildings	2 434 963	8 453 680	-	(4 587 321)	7 222 298	(303 765)	13 219 855
Infrastructure	17 459 498	5 850 813	-	-	(2 845 294)	(1 065 300)	19 399 717
Community	1 649 376	1 363 733	-	-	-	(70 201)	2 942 908
Other fixed assets	3 201 130	2 783 548	(75 049)	(420 720)	-	(930 839)	4 558 070
	24 744 967	18 451 774	(75 049)	(5 008 041)	4 377 004	(2 370 105)	40 120 550

The municipality has utilised the transitional provision set out in Directive 4 issued by the Accounting Standards Board.





5. Intangible Assets

	2009			2008		
	Cost / Valuation	Accumulated Amortisation	Carrying Value	Cost / Valuation	Accumulated Amortisation	Carrying Value
Computer software, other	952 622	(340 836)	611 786	599 732	(179 011)	420 721

Reconciliation of intangible assets – 2009

		Opening Balance	Revalua- tions	Deprecia- tion	Total
Computer software, other	420 721	352 890	(161 825)		611 786

6. Assets in Construction

This consists of

	2009	2008
Umzimkhulu Sports Field	-	321 998
Nhlambamsoka	4 052 049	113 432
Umzimkhulu Main Street	11 350 855	1 008 364
Skoon plaas access road	7 509 402	1 951 305
Mtshazo access road	-	861 714
Esihlontweni Access road	-	3 160 391
1Vierkant access Road	-	1 330
Marhewini sports field	1 390 740	958 798
Esikhewini River crossing	989 053	35 620
aautoNtisikeni sports field	2 930 052	681 266
Goso Access Road	-	2 349 349
Urban Regeneration Flats	781 372	781 372
Bonderand Access Road	2 269 573	135 549
Rockymount Access Road	2 671 331	140 000
Mnceba Access Road	2 507 302	157 900
Khiliva Access Road	1 793 795	-
T10 DEDA	1 326 216	-
Rietvlei Taxi Rank	2 095 582	-
Theefantein Access Road	1 703 393	-
Elusizini	1 629 288	-
Mbulumba Access Road	-	-
Mncweba Access Road	201 404	-
Total	45 201 407	13 987 860





7. Investments

FNB S/Call 32 Day	3 739 521	468 908
FNB Clyesdale	11 837 392	10 798 303
FNB Council Chambers	30 241	28 444
FNB Ext 5&6	1 528 401	1 404 970
FNB Ibisi	988 165	1 214 859
MSIG	138 309	213 141
MAP	3 295 800	4 228 033
MIG	2 234 561	2 578 386
Project Consolidate	102 134	1 225 990
Reitvl/Cly	678 375	625 722
Riverside Phase 1	805 048	903 638
Riverside Phase 2	4 085 275	3 750 243
Rural /Disaster	5 722 520	5 207 432
Sports Facility	236 642	448 950
Urban Renewal special project	6 286 045	9 156 057
Urban Renewal flats	2 126 995	1 412 134
Investment in Drought Relief	1 374 907	-
Total	41 939 718	46 935 823

8. Trade and other receivables from exchange transactions

Trade debtors	3	(2)
Other receivables	1 068 198	4 454 173
Donations	-	19 800
Provision for bad debts	(490 815)	(3 909 073)
Lease debtor	3 834	3 834
Other	107 306	66 358
Advance salaries	153 763	157 158
	842 289	792 248

9. Other receivables - VAT

VAT	1 72 7553	6 209 038
-----	-----------	-----------



10. Consumer debtors

Gross balances

Rates and refuse	8 527 429	11 935 813
------------------	-----------	------------

Less: Provision for bad debts

Rates and refuse	(6 837 132)	(10 599 373)
------------------	-------------	--------------

Net balance

Rates and refuse	1 690 297	1 336 440
------------------	-----------	-----------

Reconciliation of provision for impairment of consumer debtors

Opening balance	(10 599 373)	(7 812 079)
-----------------	--------------	-------------

Provision for impairment	(1 529 498)	(2 787 294)
--------------------------	-------------	-------------

Amounts written off as uncollectible	5 291 740	-
--------------------------------------	-----------	---

	(6 837 131)	(10 599 373)
--	-------------	--------------

11. Cash and cash equivalents

Cash on hand	-	7 000
--------------	---	-------

Bank balances	2 980 156	-
---------------	-----------	---

Bank overdraft	-	(94 395)
----------------	---	----------

	2 980 156	(87 395)
--	-----------	----------

Current assets	2 980 156	7 000
----------------	-----------	-------

Current liabilities	-	(94 395)
---------------------	---	----------

	2 980 156	(87 395)
--	-----------	----------

The municipality's primary bank account is a public sector cheque account with First National Bank. The account is held at the Ixopo branch and the account number is 5255 573 0913



12. Government grant reserve

Balance at beginning of year	-	13 998 838
Off-setting depreciation	-	(889 038)
Transfer to accumulated surplus	-	(13 109 800)
	-	-

13. Finance lease obligation

Minimum lease payments due		
- within one year	81 567	70 710
- in second to fifth year inclusive	45 375	126 951
Present value of minimum lease payments	126 942	197 661
 Present value of minimum lease payments due		
- within one year	81 567	70 710
- in second to fifth year inclusive	45 375	126 951
	126 942	197 661
 Non-current liabilities	45 375	126 951
Current liabilities	81 576	70 710
	126 951	197 661

The average lease term was 5 years at variable rates. The effective interest rate for the current year is 14.38%.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.





14. Unspent conditional grants and receipts

Deferred income comprises:

Unspent conditional grants and receipts

FMG Fund	-	210 738
Integrated Development Plan Fund	-	96 561
Survey Fund	759 397	721 287
Sports Facility Grant Fund	450 618	633 824
MIG Fund	-	5 416 341
MSIG Fund	-	395 924
DTLGA Council Chamber Grant	-	468 188
MAP Grant	2 663 669	3 676 888
Project Consolidate	377 710	1 225 990
Technical Support Grant	-	201 945
Urban Renewal Special Projects	6 719 268	9 087 160
Urban Renewal Flats	683 980	1 271 823
Drought Relief	1 374 907	1 288 301
Seta Grant	77 132	1 861
DLGTA - Grant Housing	407 998	-
Total	13 514 679	24 696 831
	13 514 679	24 696 831

These amounts are invested in a ring-fenced investment until utilised.

15. Trade and other payables

	188 801	-
Salaries Control	-	68 916
Accrued leave pay	888 047	998 987
Accrued bonus	788 400	788 400
Accrued expenses	6 429 752	1 293 756
MIG Accruals	(4)	-
Deposits received	42 615	42 615
Housing projects	23 176 094	21 976 566
	31 513 705	25 169 240



16. Revenue

Rendering of services - rates and refuse	2 946 982	2 718 001
Rental Income	262 588	287 246
Interest received	675 318	574 823
Licences and permits	-	1 612 829
Government grants	95 706 877	35 539 678
Motor vehicle licences	222 361	99 539
Miscellaneous other revenue	1 001 211	763 947
	100 815 337	41 596 063

17. Government grants and subsidies

Urban Renewal Special Project	56 116 605	534 105
MIG Fund	207 204	-
LED Grant	-	148 464
FMG Fund	-	558 652
Equitable share	36 313 077	28 407 475
Other Grants	3 069 991	4 341 572
Seta Grant	-	22 000
MSIG Fund	-	1 527 410
	95 706 877	35 539 678

The above amounts include amounts transferred to revenue as per the below conditional grant notes as well as other funds received

Equitable Share

In terms of the constitution, this grant is used to subsidize the provision of basic services to indigent community members





FMG Fund

Balance unspent at beginning of year	210 737	279 147
Current-year receipts	250 000	500 000
Conditions met - transferred to revenue	(333 637)	(558 652)
Conditions met transferred to Accumulated Surplus	(127 100)	-
Conditions met - transferred to deferred income	-	(9 758)
	-	210 737

IDP Fund

Balance unspent at beginning of year	96 562	146 529
Current-year receipts	-	250 000
Conditions met - transferred to revenue	(96 562)	(299 967)
	-	96 562

Survey Fund

Balance unspent at beginning of year	721 288	727 088
Conditions met - transferred to revenue	-	(52 800)
Interest	38 110	47 000
	759 398	721 288

Sport Facility Grant Fund

Balance unspent at beginning of year	633 823	2 243 355
Conditions met - transferred to revenue	(207 876)	(1 746 958)
Interest	24 671	137 426
	450 618	633 823

MIG Fund

Balance unspent at beginning of year	5 416 340	2 267 777
Current-year receipts	23 654 855	17 797 650
Conditions met - transferred to revenue	(29 238 689)	(14 858 377)
Interest	167 494	209 290
	-	5 416 340

MSIG Fund

Balance unspent at beginning of year	395 923	415 015
Current-year receipts	800 000	1 470 459
Conditions met - transferred to revenue	(770 570)	(1 527 410)
Interest	46 370	37 859
Transferred to Accumulated Surplus	(471 723)	-
	-	395 923





DTLGA Council Chamber Grant

Balance unspent at beginning of year	468 188	4 716 281
Conditions met - Transferred to Accumulated Surplus	(469 985)	-
Conditions met - transferred to revenue	-	(4 419 413)
Interest Received	1 797	171 320
	-	468 188

MAP Grant

Balance unspent at beginning of year	3 676 888	2 548 349
Current-year receipts	300 000	2 450 000
Conditions met - transferred to revenue	(1 684 399)	(1 453 715)
Interest	371 180	261 924
Conditions met transferred to deferred income	-	(129 670)
	2 663 669	3 676 888

Project Consolidate

Balance unspent at beginning of year	1 225 990	1 125 381
Conditions met - transferred to revenue	(914 972)	-
Interest	66 692	100 609
	377 710	1 225 990

Technical Support Grant

Balance unspent at beginning of year	201 945	500 000
Conditions met - transferred to accumulated surplus	(201 945)	-
Conditions met - transferred to revenue	-	(228 877)
Conditions met transferred to deferred income	-	(69 178)
	-	201 945

Urban Renewal - Special Projects

Balance unspent at beginning of year	9 087 161	-
Current-year receipts	19 392 524	13 100 000
Conditions met - transferred to revenue	(22 909 545)	(534 105)
Interest	1 149 129	377 030
Conditions met transferred to deferred Income	-	(3 855 764)
	6 719 269	9 087 161



Urban Renewal - Flats

Balance unspent at beginning of year	1 271 823	-
Current-year receipts	-	2 000 000
Conditions met - transferred to revenue	(781 372)	(781 372)
Interest	193 529	53 195
	683 980	1 271 823

Seta Grant

Balance unspent at beginning of year	1 861	-
Current-year receipts	350 271	23 861
Conditions met - transferred to revenue	(275 000)	(22 000)
	77 132	1 861

Drought Relief

Balance unspent at beginning of year	1 288 301	1 400 000
Interest	86 606	-
Prior year correction	-	(111 699)
	1 374 907	1 288 301

DLGTA Grant - Housing

Current-year receipts	1 470 000	-
Conditions met - transferred to revenue	(1 062 002)	-

18. General expenses

Advertising	69 478	-
Consulting and professional fees	1 481 849	254 385
Hired facilities	197 815	-
Insurance	252 891	-
Lease rentals on operating lease	633 376	570 007
Levies	614 385	468 992
Printing and stationery	127 760	-
Transport and freight	99 157	-
Training	5 460	-
Uniforms	48 376	-
General expenses	24 467 493	11 225 194
Office equipment	173 603	(39 920)
Grants and subsidies paid	5 754 210	6 026 719
Expense 9	5 893	-
Contributions	1 757 802	5 539 444
	35 689 548	24 044 821



19. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Motor vehicles		
• Contractual amounts	289 114	9 540
Equipment		
• Contractual amounts	344 262	560 467
	633 376	570 007
Surplus (deficit) on sale of property, plant and equipment	991 842	(75 049)
Amortisation on intangible assets	161 825	-
	2009	2008
Depreciation on property, plant and equipment		
Depreciation on investment property		
Employee costs	24 300 478	20 532 171

20. Employee related costs

Basic	12 980 453	10 420 088
Bonus	1 326 984	1 586 586
Medical aid - company contributions	498 416	394 112
UIF	105 495	93 474
Other short term costs	3 536	3 318
Post-employment benefits - Pension - Defined contribution plan	1 175 283	1 088 774
Travel, motor car, accommodation, subsistence and other allowances	571 031	493 944
Overtime payments	-	14 792
Acting allowances	105 927	26 415
Housing benefits and allowances	601 370	627 990
	17 368 495	14 749 493





Remuneration of Municipal Manager

Annual Remuneration	434 354	404 747
Travel Allowance	180 981	168 458
Performance Bonuses	89 147	108 000
Contributions to UIF, Medical and Pension Funds	82 290	81 975
Housing Allowance	21 718	20 126
Cellphone	18 000	-
Backpay	22 858	-
	849 348	783 306

Remuneration of Chief Finance Officer

Annual Remuneration	325 387	294 234
Travel Allowance	135 578	122 598
Performance Bonuses	56 393	83 160
Contributions to UIF, Medical and Pension Funds	54 116	50 511
Housing Allowance	27 000	18 445
Cellphone	12 000	-
Backpay	13 671	-
	624 145	568 948

Remuneration of the Manager : Traffic and Licensing

Annual Remuneration	-	177 709
Travel Allowance	-	74 046
Performance Bonuses	-	83 160
Contributions to UIF, Medical and Pension Funds	-	28 129
Housing Allowance	-	8 886
Cell phone Allowance	-	8 886
	-	380 816

Remuneration of Corporate Services Manager

Annual Remuneration	321 952	295 571
Travel Allowance	134 147	123 148
Performance Bonuses	56 393	83 160
Contributions to UIF, Medical and Pension Funds	51 950	45 809
Housing Allowance	28 538	23 483
Cellphone	12 000	-
	604 980	571 171





Social Services

Annual Remuneration	321 952	-
Car Allowance	134 147	-
Performance Bonuses	53 453	-
Contributions to UIF, Medical and Pension Funds	48 293	-
Housing Allowance	32 195	-
Cellphone	12 000	-
Backpay	11 962	-
	614 002	-

Procurements and infrastructure (planning, transport and environmental affairs)

Annual Remuneration	319 280	242 968
Travel Allowance	133 030	101 230
Performance Bonuses	53 453	83 160
Contributions to UIF, Medical and Pension Funds	51 547	37 685
Housing Allowance	28 271	20 652
Cellphone Allowance	12 000	-
Backpay	11 962	-
	609 543	485 695

Remuneration of Manager: Technical Services

Annual Remuneration	325 387	298 243
Travel Allowance	117 589	74 561
Performance Bonuses	56 393	83 160
Contributions to UIF, Medical and Pension Funds	98 089	125 740
Cellphone Allowance	12 000	-
Backpay	14 293	-
	623 751	581 704

21. Remuneration of councillors

Mayor	444 845	417 379
Deputy Mayor	355 875	193 257
Executive Committee	1 217 759	1 203 306
Speaker	298 588	330 910
Councillors	4 281 283	3 405 028
Chief Whip	333 633	232 798
	6 931 983	5 782 678



22. Depreciation and amortisation

Property, plant and equipment	3 848 874	2 370 105
Investment property	30 166	-
Intangible assets	161 825	-
	4 040 865	2 370 105

23. Finance costs

Current borrowings	22 764	95 442
--------------------	--------	--------

24. Cash generated from operations

Surplus (deficit) before taxation	35 822 617	(2 760 466)
Adjustments for:		
Depreciation and amortisation	4 040 865	2 370 105
(Surplus) deficit on sale of assets	(991 842)	75 049
Interest received	(743 396)	(1 026 305)
Finance costs	22 764	95 442
Depreciation Government grants	-	889 038
Adjustment	3 007 031	9 335 972
Changes in working capital:		
Trade and other receivables from exchange transactions	(50 038)	1 658 504
Consumer debtors	(353 857)	556 950
Trade and other payables	6 344 465	3 416 229
VAT	4 456 285	(1 899 627)
Unspent conditional grants and receipts	(11 182 150)	8 327 910
	40 372 744	21 038 801



25. Commitments

Authorised capital expenditure

Commitments in respect of capital expenditure - approved and contracted for:

• Infrastructure	41 313 276	48 485 715
Not yet contracted for and authorised	840 000	29 517 170

26. Contingencies

The municipality has instituted legal action against a municipal employee for the theft of funds approximating R 598 999.

27. Prior period errors

The adjustments as indicated in Accumulated surplus in the Statement of Changes in Equity consist of the following errors that have been identified

Statement of financial position

Property, plant and equipment - Water and Sewage Assets	-	2 877 729
Property Plant and Equipment - unrecorded properties	-	8 542 420
Restatement of Drought Relief Balance	-	111 699
Correct of Lease Liability - Ford	-	9 183
Depreciation raised on assets not yet completed	-	37 032
Recognising costs 06/07 Clydesdale access road - completed in current year	-	803 824
Recognising costs 05/06 Council Chamber - completed in the current year	-	4 034 267
Total	-	10 660 696
Statement of financial performance		
Recording of prior year depreciation on unrecorded properties	-	(1 324 718)
Recording of additional depreciation on prior year assets	(39 006)	-
Write off of grant funds spent	(1 270 754)	-
Write off of debtor paid in prior year	19 800	-
Total	(1 289 960)	(1 324 718)





28. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	-	57 371
Current year subscription / fee	5 300	81 858
Amount paid - current year	(5 300)	(139 229)

Audit fees	-	-
Current year amount	806 315	659 791

PAYE and UIF

Opening balance	(10 568)	-
Current year amount	3 174 526	2 640 842
Amount paid - current year	(3 174 526)	(2 651 410)
	(10 568)	(10 568)

Pension and Medical Aid Deductions

Current year amount	2 710 958	3 695 261
Amount paid - current year	(2 710 958)	(3 695 261)
	-	-

VAT

VAT receivable	1 752 753	6 209 038
----------------	-----------	-----------

VAT output payables and VAT input receivables are shown in note.

Councillors' arrear consumer accounts 30 June 2009

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor JS Mzizi	225	562	787
Councillor Goodman/Wardle	581	9 336	9 917
Councillor Phakathi/Mazinyo	262	737	999
Councillor D. Zulu	276	2 092	2 368
	1 344	12 727	14 071





5.4 Comments on the Annual Financial Statements

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention unless otherwise specified.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and applicable disclosures have been based on the Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. The municipality has utilised the transitional provisions set out in Directive 4 issued by the Accounting Standards Board.

5.5 Assessment by Accounting Officer of Arrears

Total debtors stands at R2.5m (2008: R2.1m restated). Although it appears that debt has remained static over the period, it must be mentioned that debt to the value of approximately R8.5m was written off during the said period. The reason for this is that the financial system that was previously used before 2006/07 financial year crashed which led to inability to retrieve information of debtors.

Total consumer debtors increased from R1.3 (2008) to R1.6m during the year.

The increase in the level of debt did not negatively impact upon service delivery as the council had sufficient cash reserves in order to meet all its financial obligations.

5.6 Management Responses To The Auditor-General's Report

1. Unspent grants reconciliation to investment accounts

Management response

We are in agreement with the finding but the differences are as a result of historical capturing differences of information in prior years. The investment balances should be viewed as cash-backed for the total unspent grants. In the current year financial such differences will be resolved.



2. Inadequate control over processing the journal entries

Management response

Journal entries are authorized before being processed, however we will improve on ensuring that the same authorization is performed in the system by the supervisor.

3. Late submission of report to the National Treasury

Management response

We are currently submitting documents to Treasury on or before the 10th of every month but for supply chain management, reports are required for submission by the 15th of every month. All reports were submitted on the 15th July instead of the 10th July 2008.

4. Payment authorisation

Management response

The requests from various departments have been authorized by delegated officials. Supporting documents will be provided for perusal by the auditors.

5. Inadequate reconciliation of the creditors sub-ledger to general ledger

Management response

It should be noted that the reason for this was due to the fact that correcting journal entries have been captured to the creditors control account for year end purposes. These adjustments will need to be updated to the creditor's age analysis in the new financial year. It should be noted that creditor's reconciliations between the age analysis and creditors statements are performed on a monthly basis.

6. Input VAT not deductible

Management response

The problem is historical. However we will, adjust accordingly.



7. Long-outstanding reconciling items

Management response

During the financial year we experienced challenges in the system which resulted in information being retrieved by Munsoft later in the financial year. This has caused recurring unresolved reconciling items which were resolved and cleared towards the end of the financial year. Munsoft have since introduced a bank reconciliation module that will resolve problems related to reconciling items.

CHAPTER 6: FUNCTIONAL AREA SERVICE DELIVERY REPORT

6.1 UMZIMKHULU STRATEGIC ORGANISATIONAL SCORECARD



6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures For Improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ment		
Pg 56 3.4.	Local Economic Development	Urban regeneration	Develop and implement a plan for urban regeneration	% achievement of set targets as per the plan	N/A	N/A	20%	40%	60%	80%	100%	70%	The municipality will embark on plans to solicit more funds	
		Stimulate the local economy	Create new business opportunities	Number of jobs created	100%	55%	n/a	n/a	n/a	100%	100%	50%	Strategy for attracting business into the area	
				% Reduction in unemployment	100%	55%	n/a	n/a	n/a	10%	10%	7%	N/A	
				Number of business enterprises established	100%	55%	n/a	n/a	n/a	10%	10%	10%	N/A	
		Implementation of programmes for youth, women, disabled and vulnerable individuals	Facilitate and develop a calendar for youth activities	%implementation as per calendar	100%	100%	100%	100%	100%	100%	100%	N/A		
			Conduct awareness campaign for youth	Number of road shows conducted	100%	100%	1	1	1	1	4	70%	Improve budget allocation	





6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures For Improve- ment		
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ment				
Pg 53 3.4.1	Implement special programmes	Capacity building	Facilitate and develop programmes from national and provincial government	% variances to required standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A		
					100%	90%	8	10	8	10	32	25	To approach LGSeta for funding			
					100%	90%	5	5	5	20	4					
					100%	90%	Jul 08	n/a	n/a	n/a	100%	100%	N/A			
				Management and leadership training	Skills development for officials	Capacity of youth through different programme namely rehabilitation, entrepreneur and career pathing	Workplace skills plan submitted	100%	100%	N/A	N/A	N/A	Jun 09	1	100%	N/A
								100%	100%	2	2	2	8	100%	N/A	
								100%	100%	3	3	1	3	10	100%	N/A
								100%	100%	n/a	n/a	n/a	n/a	n/a	n/a	N/A
								100%	100%	n/a	n/a	n/a	Apr 08	Apr 08	100%	N/A
								100%	100%	n/a	n/a	n/a	Jun 08	Jun 08	100%	N/A
Pg 53 3.4.1	Institutional Development & Transformation	Implement performance management system	Review and update job description for all officials	Signed JD's for all officials	100%	100%	N/A	N/A	Mar 09	N/A	Mar 09	100%	N/A			
					100%	100%	N/A	N/A	Jul 08	N/A	Jul 08	100%	N/A			

6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
			Develop personal development plan	Signed PDP's	100%	100%	N/A	N/A	N/A	Jul 08	100%	100%	N/A
		Review and implementation of information systems	Development of integrated of information and communication systems	Date of appointment of the consultant	100%	15%	Sep 08	N/A	N/A	N/A	100%	100%	N/A
				Date of testing	100%	15%	N/A	Nov 08	N/A	N/A	100%	100%	N/A
				Date of commissioning	100%	15%	N/A	N/A	N/A	Apr 09	100%	100%	N/A
		Effective institutional management implementation	Providing strategic direction	% achievement of targets	100%	100%	100%	100%	100%	100%	100%	100%	N/A
			Effective corporate service department	%archive of target s	100%	65%	100%	100%	100%	100%	100%	80%	Improved monitoring
			Effective technical services department	% Archive targets	100%	65%	100%	100%	100%	100%	100%	80%	
			Effective budget and treasury office	%Achievement of targets	100%	100%	100%	100%	100%	100%	100%	80%	
			Effective social and economic development department	%Achievement of targets	100%	65%	100%	100%	100%	100%	100%	80%	





6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
Pg 55 3.4.5	Good Governance and Public Participation	Effective institutional development	Effective strategic development and housing department	% Achievement of targets	100%	65%	100%	100%	100%	100%	100%	80%	
			Implement sound budgeting processes	% Compliance with MFMA	100%	100%	100%	100%	100%	100%	100%	90%	Improved monitoring
			Implement sound accounting control	% Variances not more than 5%	100%	100%	5%	5%	5%	5%	5%	100%	N/A
			Implement financial reporting procedures	% Compliance with deadlines	100%	100%	100%	100%	100%	100%	100%	100%	N/A
			Implement SCM regulations	% Compliance	100%	100%	100%	100%	100%	100%	100%	80%	Improved monitoring
			Improvement in audit opinion	Unqualified audit report	100%	100%	n/a	n/a	n/a	Jun 09	Jun 09	100%	N/A
			IDP aligned to the budget	% Compliance with legal prescripts	100%	100%	N/A	N/A	N/A	100%	100%	100%	N/A
			Review and update the existing policies	Date of review	100%	100%	N/A	Dec 08	April 09	Jun 09	Qtly	100%	N/A
			Develop and implement new policies	% Compliance with legal prescripts	100%	100%	100%	100%	100%	100%	100%	100%	N/A
			Implement youth development policy	% Compliance with the policy	100%	100%	100%	100%	100%	100%	100%	100%	N/A
	Effective good governance and community participation		Review communication strategy	Date	N/A	N/A	N/A	Jan 09	N/A	N/A	Jan 09	100%	N/A
			IDP process	% Compliance with legal prescripts	100%	100%	N/A	100%	N/A	N/A	100%	100%	N/A
			Stakeholder management	Signed service level agreement	N/A	N/A	N/A	N/A	Jan 09	N/A	100%	70%	Non attendance at meeting

6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment
					Target	% Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ment	
			Building synergic relationship with the traditional leaders	Protocol signed	N/A	N/A	N/A	N/A	Jan 09	N/A	100%	100%	N/A
			Ensure effective public participation	% Community involvement	N/A	N/A	100%	100%	100%	100%	100%	100%	N/A
			Budget aligned to IDP	Date	N/A	N/A	N/A	N/A	N/A	Jun 09	Jun 09	100%	N/A
			Implementation of financial management systems	Date	N/A	N/A	Jul 08	N/A	N/A	N/A	100%	100%	N/A
			Implementation of MFMA	% compliance	N/A	N/A	50%	70%	80%	90%	90%	75%	????
			Improvement in audit opinion	From disclaimer to qualified audit opinion.	N/A	N/A	N/A	Dec 08	N/A	n/A	Dec 08	100%	N/A
			Meet all financial reporting requirements	% Compliance with MFMA	N/A	N/A	100%	100%	100%	100%	100%	100%	N/A
			Adequate internal audit and risk management system	Establishment of the internal audit unit	N/A	N/A	30 sep 08	N/A	N/A	N/A	Sept 08	100%	N/A





6.1.1 OFFICE OF THE MUNICIPAL MANAGER

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
				Risk management strategy implemented	N/A	N/A	Sep 08	N/A	N/A	N/A	Sept 08	100%	N/A
				Quarterly internal audits	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Published annual report	N/A	N/A	N/A	N/A	N/A	Jan 09	Jan 09	100%	N/A
	Basic Service Delivery	Implement a three year capital investment plan	Measurements of actual performance against the plan	% Achieved	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	N/A

6.1.2 BUDGET & TREASURY

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
Pg 55 3.4.5	Good Governance and Public Participation	To measure the impact of co-operative governance on development.	To enter into service level agreements with identified stakeholders.	Signed service level agreements.	N/A	N/A	Jul 08	n/a	n/a	n/a	Jul 08	100%	n/a
			Developing business plans for identified projects	Number of projects	N/A	N/A	10	n/a	n/a	n/a	10	100%	n/a
Pg 53 3.4.1	Institutional Development & Transformation	To build financial management capacity amongst Councilors and staff	Reporting on achievements	Financial reports	100%	100%	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a
			Conduct MFMA training for Councilors	Workshops and information seminars	N/A	N/A	1	n/a	n/a	1	2	100%	N/A
			Conduct financial accounting and budgeting training for staff	Accredited training programme (LGTA)	100%	100%	Sep 08 This was not held by DLGTA due to logistical problems	n/a	n/a	n/a	Sep 08	0%	Municipality to liaise with DLGTA to sort logistical problems experienced
				Financial management training for accountants	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a





6.1.2 BUDGET & TREASURY

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment	
					Target	% Actual Achieve -ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ment		
Pg 55 3.4.4	Financial Viability & Management	Maximizing municipal revenue	Conduct systems training for staff	Training on MUNISOFT classic, VIP payroll, SCM software, debt management is, EMMA	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a	
				IT training	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a	
				Training on policies and delegations	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a	
				IMFO seminars	100%	100%	1	n/a	n/a	n/a	1	100%	n/a	
			Attendance of finance seminars	CFO forum	100%	100%	3	3	3	3	1	12	33%	Liaise with District Municipalit y regarding frequency of meetings
							1	1	1	1				
							attended due to absence of district CFO who coordin- ates this	attended due to absence of district CFO who coordin- ates this	attended due to absence of district CFO who coordin- ates this	attended due to absence of district CFO who coordin- ates this				
			Implement a bursary programme for staff development	SCM forum	N/A	N/A	3	3	3	3	3	12	100%	n/a
				Property rates forum	N/A	N/A	3	3	3	3	3	12	100%	n/a
				Certificate courses	N/A	N/A	5	n/a	n/a	n/a	n/a	5	100%	n/a
			Improved revenue collection	Percentage improvement	N/A	N/A	5%	10%	15%	15%	15%	15%	35%	N/A
				Date of implementation	N/A	N/A	Sep 08	n/a	n/a	n/a	n/a	Sep 08	100%	n/a
				Reconciliation between households and debtors	Percentage debtors to households on valuation roll	N/A	N/A	100%	n/a	n/a	n/a	100%	100%	n/a

6.1.2 BUDGET & TREASURY

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
			Accurate information on debtors statements	Percentage improvement in accuracy	N/A	N/A	15%	15%	20%	25%	25%	90%	n/a
			Compliance with relevant statutory obligation	Percentage compliance with all legislative mandates, regulations and policies	100%	100%	100%	n/a	n/a	n/a	100%		
			Improved support to indigents	Percentage improvement	N/A	N/A	60%	n/a	n/a	n/a	60%	80%	n/a
			Customer focus	Customer satisfaction surveys	N/A	N/A	1	n/a	n/a	n/a	1	100%	n/a
			Turnaround time in resolving customer queries	Turnaround time in resolving customer queries	N/A	N/A	7	7	7	7	7	100%	n/a





6.1.2 BUDGET & TREASURY													
IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target			2008/09		Planned Measures For Improve-ment	
					Target	% Actual Achieve-ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve-ment	
		Effective budgeting	Budget process plan	Develop the budget process plan for 2009/10	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
			Alignment of the budget to IDP	Prioritised budget allocations	100%	100%	n/a	n/a	n/a	Jun 09	Jun 09	100 ^%	n/a
			SDBIP developed	Approved SDBIP	100%	100%	n/a	n/a	n/a	Jun 09	Jun 09	100%	n/a
			Three year financial plan	Approved three year financial plan	100%	100%	n/a	n/a	n/a	Jun 09	Jun 09	100%	n/a
			Compliance with relevant statutory obligations	Percentage compliance	100%	100%	100%	n/a	n/a	n/a	100%	100%	n/a
		Value for money goods and services (SCM)	Implementation of the SCM policy	Date implemented	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
			Effective procurement planning	Approved procurement plan	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
			Efficient acquisition processes	Process time for quotations	N/A	N/A	14 days	14 days	14 days	14 days	14 days	100%	n/a
				Process time for bids	N/A	N/A	90 days	90 days	90 days	90 days	90 days	100%	n/a
			Efficient logistics processes	Ordering process time	N/A	N/A	7 days	7 days	7 days	7 days	7 days	100%	n/a
				Inventory management - stock count variances	N/A	N/A	0%	0%	0%	0%	0%	n/a	n/a
				Contract management	N/A	N/A	100%	100*	100*	100%	`100%	80%	Municipal-ity to capacitate this unit to perform this function
				Processing payments	N/A	N/A	30 days	30 days	30 days	30 days	30 days	100%	n/a

6.1.2 BUDGET & TREASURY

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievement	
			Efficient disposal processes	Process time	N/A	N/A	60 days	n/a	n/a	n/a	60 days	100%	n/a
			Accurate fixed asset register reconciled with the GL	Percentage accuracy	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Available supporting documentation for all expenditure	Monthly compliance checks	N/A	N/A	60%	60%	60%	60%	60%	100%	n/a
			Effective control over expenditure	Actual vs budget variance	N/A	N/A	15%	15%	15%	15%	15%	100%	n/a





6.1.2 BUDGET & TREASURY

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment
					Target	% Actual Achieve -ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ment	
Pg 53 3.4.1	Institutional Development & Transformation	Timely financial reporting	Compliance with relevant statutory obligations	% Compliance	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Section 71 to 76 (MFMA) reports	Compliance with all reporting requirements	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
				Process time	N/A	N/A	21 days	21 days	21 days	21 days	21 days	100%	n/a
				SCM reports	Percentage compliance with all reporting requirements	N/A	N/A	100%	100%	100%	100%	100%	100%
			Process time		N/A	N/A	21 days	21 days	21 days	21 days	21 days	100%	n/a
			Published annual report		Nine months after the year end for 2007/8	100%	100%	n/a	n/a	Mar 09	n/a	Mar 09	100%
			Improved audit opinion	2007/8 qualified opinion, 2008/9 unqualified opinion	100%	100%	n/a	Dec 08	n/a	n/a	Dec 08	100%	n/a
				Percentage reduction in audit queries	100%	100%	50%	n/a	n/a	n/a	50%	100%	N/A
					Prepared by 31 August	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	100%
			Pg 53 3.4.1	Institutional Development & Transformation	Effective Information Technology	Reconciliation of GL accounts	Monthly reconciliation's	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09
Disaster recovery plan	Approved plan and implementation	N/A				N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
Licence renewals	Licensed software	N/A				N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
Access to internet and email	User access	N/A				N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
			Internet domain created	Domain created	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a

6.1.3 CORPORATE SERVICES

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 53 3.4.1	Institutional Development & Transformation	To develop and improve skills level in the Municipality	Skills analysis conducted for both Councillors and officials	Skills analysis report submitted	100%	100%	N/A	N/A	Mar 09	N/A	Mar 09	100%	N/A
			Workplace skills plan developed	Approved WSP submitted to LGSETA	Jun 08	100%	N/A	N/A	N/A	Jun 09	Jun 09	100%	N/A
			Development of the training plan for the Municipality	Approved training plan for 2009	Jul 08	100%	Jul 08	N/A	N/A	N/A	Jul 08	100%	N/A
				Number of Councillors staff trained per training plan	20	100%	6	6	6	7	25	100%	n/a
			Training provided as per training plan	Number of office bearers trained	100%	100%	N/A	N/A	5	5	10	100%	N/A
			Impact assessments conducted for all training	Impact assessment report submitted	N/A	N/A	Sep 08	Dec 08	N/A	N/A	100%	100%	N/A
	HRD policy development and implementation		Review and implement training and development policy and procedures	Approval of training policy	100%	100%	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				Development and approval of learnership and internship policy	N/A	N/A	n/a	n/a	Mar 09	n/a	Mar 09	100%	N/A
				% Compliance to training policy	N/A	N/A	100%	100%	100%	100%	100%	100%	N/A





6.1.3 CORPORATE SERVICES

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures For Improve-ment
					Target	% Actual Achieve-ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve-ments		
		Facilitate the implementation of career pathing initiatives within the Municipality	Implement career pathing initiatives within the Municipality	Number of officials benefiting	N/A	N/A	6	6	6	6	24	100%	N/A	
		Implementation of programmes for internships, learnships and experiential learning	Implementation of learnerships programmes	Number of learnerships programmes	2	100%	4	n/a	n/a	n/a	4	50%	To establish partnerships with relevant SETA's to increase the number of learnership programme e.	
				Monthly reports to relevant stakeholders	100%	100%	Sep 08	Dec 08	Mar 09	Jun 09	Qtlly	100%	N/A	
		Development of HRD strategy for the Municipality	HRD strategy developed and communicated	Approved HRD strategy	100%	100%	n/a	Dec 08	n/a	n/a	Dec 08	100%	N/A	
			Facilitate and monitor experiential training and internships programmes	Number of interns	N/A	7	2	3	n/a	n/a	5	80%	The municipality will recruit and train interns in 2009/10.	
				Number of trainees	N/A	N/A	2	1	1	1	5	100%	n/a	
		Implementation of systems to support the functions of HRD	Full utilisation of VIP modules – move to HRD	Date of testing	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A	
				Date for full implementation	Jun 08	100%	N/A	Dec 08	Mar 09	Jun 09	100%	100%	N/A	
			Ensure the functioning of skills development training committee	Monthly committee meetings	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtlly	100%	N/A	
				Quarterly report	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtlly	100%	N/A	

6.1.3 CORPORATE SERVICES

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
	Provision of effective and efficient administrative support services		Secretarial services provided	Schedule of meetings approved	N/A	N/A	Jul 08	n/a	n/a	n/a	Jul 08	100%	N/A
				All documentation for meetings made available within 7 days	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				First draft of minutes available within 48 hours	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
			Logistics arrangement conducted timeously	Confirmation of logistics done within 5 days (accommodation, transport, catering, material and equipment etc.)	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
	Provision of general office management and administration services		Maintenance of office equipments and allocation of office space	Attendance to all queries within 24 hours	N/A	N/A	Sep 08	Dec 08	Mar 09	Jan 09	Qtly	100%	N/A





6.1.3 CORPORATE SERVICES

IDP indi- icator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
			Facilitate the implementation of Council resolutions	Allocation of work space before the assumption of duties	N/A	N/A	Within 5 days	Within 5 days	Within 5 days	Within 5 days	Within 5 days	100%	N/A
				Updated resolution register and distribution of approved resolution	N/A	N/A	Within 5 days	Within 5 days		Within 5 days	Within 5 days	100%	n/a
		Uniformity for processes, procedures and documents	Report on survey customer satisfaction	N/A	N/A	Sep 08	n/a	n/a	n/a	n/a	Sep 08	0%	N/A as this function shifted to Finance
			% Increase customer satisfaction	N/A	N/A	n/a	20%	20%	20%	20%	20%	0%	Deal with HR related queries internally
		Safe keeping of documents for the Municipality	Developed procedure manuals for all processes	N/A	N/A	n/a	Dec 08	n/a	n/a	n/a	Dec 08	100%	n/a
			% implementation of registry system	N/A	N/A	50%	60%	80%	100%	100%	100%	n/a	
		Proper filing system implemented	% Decrease in the number of missing documents	N/A	N/A	20%	15%	15%	10%	60%	100%	n/a	
			% implementation of filing system	N/A	N/A	50%	60%	80%	100%	100%	100%	n/a	
		Policies and procedures	Policy reviewed and implemented	N/A	N/A	Sep 08	n/a	n/a	n/a	n/a	Sep 08	100%	n/a
			Approved records procedure manual and records control schedule	N/A	N/A	Sep 08	n/a	n/a	n/a	n/a	Sep 08	100%	n/a
			% Compliance to policies	100%	100%	n/a	n/a	n/a	100%	100%	n/a		
			Records disposals in line with KZN provincial archives act, 5 of 2000	% compliance with the act	N/A	N/A	100%	100%	100%	100%	n/a		

6.1.3 CORPORATE SERVICES

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
		Effective fleet management	Proper management of log book and trip authorities	% decrease in abuse and unauthorised trips	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Maintenance of all municipal vehicles	Maintenance report submitted	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
		Provision of security services	Security service provided to all municipal buildings	% compliance to service level agreement	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
		Provision of cleaning services	Report to EXCO	Report to EXCO	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a
			Manage and provide cleaning services to all municipal buildings	% compliance to service level agreement	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
		Report to EXCO	Report to EXCO	Report to EXCO	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a
		Ensure effective contract management	% compliance to hygiene standards	% compliance to hygiene standards	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Contract management services provided	% adherence to contractual agreements	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
		Provision of leave management service within the Municipality	Accurate leave management	% accuracy and decrease in the number of audit queries	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Monthly leave report and advices provided	Monthly leave report and advices provided	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Mthly	100%	n/a





6.1.3 CORPORATE SERVICES

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
Pg 55 3.4.4	Financial Viability & Management	Management of personal files for all Councillors and officials		% Compliance with conditions of services	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
			Evaluate effectiveness of leave management system (system audit)	Report on findings	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
				% Implementation of the findings	N/A	N/A	n/a	100%	n/a	n/a	100%	100%	n/a
		Personal information updated and stored safely	% decrease in number of queries	N/A	N/A	100%	100%	100%	100%	100%	100%	100%	n/a
			Payroll updated and input provided to finance	N/A	N/A	10th	10th	10th	10th	10th	10th	100%	n/a
Pg 53 3.4.1	Institutional Development & Transformation	Recruitment and selection	Check accuracy of deductions	% Decrease in number of queries	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
				Turnaround time of filling vacant posts from advert to appointment	N/A	N/A	75 days	75 days	75 days	75 days	75 days	100%	n/a
			Induction provided to all newly appointed officials	Filling of all vacant post as per budget	N/A	N/A	100%	100%	100%	100%	100%	100%	100%
		Conduct exit interviews		N/A	100%	100%	100%	100%	100%	100%	100%	100%	n/a
		Wellness programme	Implementation of employee assistance programme	N/A	N/A	Sep 08	n/a	n/a	n/a	n/a	Sep 08	100%	n/a
			Approved plan	% Implementation of EAP as per approved plan	N/A	N/A	n/a	Oct 08	n/a	Oct 08	100%	100%	n/a
					N/A	N/A	100%	100%	100%	100%	80%	Limited resources	

6.1.3 CORPORATE SERVICES

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
			Occupational health and safety	% compliance with the OHS act	N/A	N/A	100%	100%	100%	100%	100%	100%	n/a
				Review workplace HIV/AIDS policy and plan	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
				% Implementation of EAP as per approved plan	N/A	N/A	n/a	100%	100%	100%	100%	100%	n/a





6.1.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/ 09	Planned Measures For Improve-ment
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	
Pg 54 3.4.3	Basic Service Delivery & Infrastructure Development	Ensure effective traffic management within the Municipality	Prepare and submit reports highlighting issues relevant to traffic department	Monthly written report submitted according to agreed format and providing agreed information and data.	N/A	N/A	By15th Day of the month	By15th The month	By15th day of the month	By15th day of the Month	100%	n/a
				% decrease in the number offenders per year	N/A	N/A	20%	30%	40%	50%	100%	n/a
	Municipal traffic officers	Provide support functions to the initiatives of the municipal traffic officers		Number of meetings attended	N/A	N/A	Sep 08	Oct 08	Mar 09	Jun 09	100%	n/a
				Plan, gain approval for and implement a public education campaign. Plan and progress against plan to be available for inspection	N/A	N/A	Sep 08	Oct 08	n/a	n/a	100%	n/a
				Timeous attendance to all road accidents and report on progress	N/A	N/A	Sep 08	Oct 08	Mar 09	Jun 09	100%	n/a
			Ensure traffic and security planning for major events, and communicate with senior management so that needs are accounted for and met	Develop and implement plans for the management of traffic and security for events	N/A	N/A	Sep 08	n/a	n/a	Sep 08	100%	n/a

6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/ 09	% Actual Achieve- ments	Planned Measures For Improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target		
				Measures developed and used to evaluate the extent of the traffic and security service provided during major municipality events	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
				Progress report of implementation provided, detailing what has and has not been implemented or the extent of the service that has been provided for each event	N/A	N/A	Sep 08	Oct 08	Mar 09	Jun 09	Qtly	100%	n/a
	Manage the representation of the traffic department Umzimkhulu CPF broader forum so that the needs of the community are met	Functional community forums developed and monitor the progress		Consolidate the various community policing forums into one forum for the Municipality	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	20%	Poor attendance to the meetings so the quorum could not meet





6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve-ment
					Target	% Actual Achieve-ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve-ments	
				Schedule of meetings for the forum to be created	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	20%	Poor attendance to the meetings so the quorum could not meet
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	30%	Poor attendance to the meetings and changing of representat-ives
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
				Establish an oversight committee	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08		n/a
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08		n/a
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
					N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	n/a
Oversee the management of the licensing department and testing stations so that efficient and effective vehicle licensing services and the testing of vehicles occurs			Develop and implement targets to improve service delivery	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Sep 08	100%	n/a	

6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
				% Achievements of performance against targets	N/A	N/A	100%	100%	100%	100%	Sep 08	80%	Staff shortage DLTC shortage
				Monthly report on progress	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a
				Develop and gain approval for a licensing department and testing station business plan	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	0%	DLTC shortage
			Initiate networks with surrounding municipal police and traffic department's so that there is effective cross-border co-operation in managing crime and policing issues	Monthly report on interaction with stakeholders	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	n/a





6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi- icator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
			Initiate networks with the saps, justice department, and correctional services to obtain input and guidance from the municipal police and traffic department in the formulation of regulations and agreements.	Monthly report on interaction with stakeholders	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qty	100%	n/a
			Manage information of the municipal police and traffic department so that accurate statistics are available for developing crime prevention strategies	Develop in association with saps, a set of statistics that can be used by municipal police and traffic department	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	0%	Closing of the Testing centre
				Conduct survey or research, in order to obtain the required statistics	N/A	N/A	n/a	Dec 08	n/a	n/a	Dec 08		
				% Reduction in all crimes based on the finding	N/A	N/A	15%	20%	40%	50%	50%	80%	N/A
			Facilitate traffic road shows and awareness campaigns	% Reduction in all road violations based on findings	N/A	N/A	15%	20%	40%	50%	50%	80%	N/A
				Number of school visits conducted to teach children on road safety	N/A	N/A	2	2	2	2	8	100%	N/A
				Number of ward visit conducted to teach adults on road safety	N/A	N/A	3	3	3	3	12	100%	N/A
			Monitor the compliance of the motorists towards the scholar patrol activities	Number of visits conducted	N/A	N/A	2	1	1	1	5	100%	N/A

6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/ 09	Planned Measures For Improvement	
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
			Conduct road blocks to ensure compliance with all road regulations	Number of road blocks conducted	N/A	N/A	1	1	1	1	4	100%	N/A
			Maintenance and monitoring of the systems to assist the traffic section	Conduct an audit to measure performance	N/A	N/A	n/a	n/a	n/a	n/a	Jun 09	100%	N/A
			To build vehicle testing station for vehicle roadworthiness	Submission and approval of the business plan	N/A	N/A	n/a	n/a	n/a	n/a	Jun 09	0%	Testing station closed
			To build weighbridge to control overloaded trucks	Submission and approval of the business plan	N/A	N/A	n/a	n/a	n/a	n/a	Jun 09	0%	Testing station closed
		Conduct training of Councillors and staff	Councillor training on social and community development issues	Number of Councillors to be trained.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly		
			Training of departmental officials on social and community issues.	Number of officials trained	N/A	N/A	n/a	4	4	n/a	8	100%	N/A





6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
		Facilitate sports and recreation function so that the strategic objectives of the Municipality in relation to sports and recreation are achieved.	Co-ordinate festivals and events in close association with province and other stakeholders	Number of events coordinated	N/A	N/A	1	1	1	1	4	100%	N/A
			Conduct sports clinics in disadvantaged communities to create access to different sporting codes.	Prepare business plan Obtain necessary approval Number of clinics established	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A
					N/A	N/A	n/a	Nov 08	n/a	n/a	Nov 08	100%	N/A
					N/A	N/A	n/a	n/a	1	1	2	N/A	Function shifted to the department of health
			Facilities management committees to be formed to monitor usage of amenities in communities.	Establishment of FMC's	N/A	N/A	n/a	n/a	Mar 08	n/a	Mar 08	0%	
		Network with other levels of government so that community services programs are in line with national and provincial targets	Initiate networks with the relevant spheres of government	Evidence provided (in the form of a report) to show interaction with stakeholders	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
		Marketing strategies so that the stakeholders are aware of the community services initiatives in the Municipality.	Develop a communication strategy and marketing material	All marketing documents and brochures sent out or issued by the Municipality make reference to community services issues.	N/A	N/A	n/a	Dec 08	n/a	n/a		70%	Currently using the municipal newsletter
			Develop appropriate measures to gauge community acceptance of community services initiatives	Increase in the number of beneficiaries requiring the relevant community services	N/A	N/A	n/a	n/a	20%	50%	50%	50%	n/a

6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09	% Actual Achievements	Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target		
Pg 53 3.4.2	Local Economic Development	Develop an arts, culture and heritage plan so that the objectives of Council in this field can be achieved	Implementation of art and cultural activities within the Municipality	Develop plan for all art and cultural activities	N/A	N/A	Aug 08	N/A	N/A	N/A	Aug 08	100%	N/A
				Obtain approval for the plan	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	N/A	No plan
				Implementation of the approved plan and % achievement of targets	N/A	N/A	N/A	100%	100%	100%	100%		n/a
				As per the calendar	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtrly	100%	N/A
	Facilitation of poverty alleviation initiatives within the communities	Celebrate all cultural days and activities Development of community gardens and other initiatives in partnership with stakeholders Conduct HIV/AIDS awareness programmes and campaign in partnership with other stakeholders		Number of community gardens established	N/A	N/A	2	2	2	2	8		
				Number of awareness programme	N/A	N/A	N/A	1	1	1	3	100%	N/A
				All reported cases attended to and forwarded to social development	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09		100%	N/A





6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/ 09	Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 54 3.4.3	Basic Service Delivery and Infrastructure Development	Effective disaster management and support to vulnerable individuals	Control and implementation of veld fires initiatives	Number of awareness campaign conducted	N/A	N/A	1	1	1	1	4	0%	Sisonke District responsible for fire disaster
				Timeous response to all fire incidences	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	0%	Sisonke District responsible for fire disaster
		To ensure ongoing review and implementation of all policies and bylaws	Reviewed policies: library policy	Annually	100%	100%	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				% Compliance	100%	100%	n/a	100%	100%	100%	100%	100%	N/A
			Disaster management	Policies approved by Council	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A
				% Compliance	100%	100%	n/a	100%	100%	100%	100%	100%	N/A
		HIV/AIDS Policy	Policies approved by Council	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A	
			% compliance	100%	100%	n/a	100%	100%	100%	100%	100%	N/A	
		Pauper burial policy	Policies approved by Council	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A	
			% Compliance	N/A	N/A	n/a	100%	100%	100%	100%	100%	N/A	
Environmental management policy	Policies approved by Council	100%	100%	Sep 08	n/a	n/a	n/a	Sep 08	0%	No national policy still on draft			
	% Compliance with all mandates	100%	100%	n/a	100%	100%	100%	100%	0%	No national policy still on draft			
Ensuring effective functioning of library	Workshop all policies before Council approval	Within 60 days after review	N/A	N/A	Sep 08	n/a	n/a	n/a	Sep 08	100%	N/A		
		Quarterly list.	4	100%	Sep 08	Oct 08	Jan 09	Apr 09	Qtly	100%	N/A		
		Stock taking reports.	Feb 08	100%	Sep 08	Oct 08	Jan 09	Apr 09	Qtly	100%	N/A		
		Daily records	100%	100%	Sep 08	Oct 08	Jan 09	Apr 09	Qtly	100%	N/A		

6.1.4 COMMUNITY & SOCIAL DEVELOPMENT

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09	% Actual Achievements	Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target		
			Submit monthly statistical reports	Monthly reports	100%	100%	Sep 08	Oct 08	Jan 09	Apr 09	Qtly	100%	N/A
			Implementation of mobile library services	Quarterly visits	4	0%	Sep 08	Oct 08	Jan 09	Apr 09	Qtly	0%	No transport provided
			Promoting and marketing the Umzimkhulu library services.	Number of road shows conducted	1	100%	1	1	1	1	4	100%	N/A
				Library open days conducted	1	100%	1	1	1	1	4	100%	N/A
		Reduce illiteracy rate within the community	Conduct literacy programme in line with other government initiatives	Number of initiatives conducted	1	100%	1	1	1	1	4	60%	Co-operation of stakeholders at ward levels





6.1.5 INFRASTRUCTURE

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures for improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
Pg 54 3.4.3	Basic Service Delivery	To assist the district municipality in providing water to the communities of Umzimkhulu by the end of 2009	Monitoring the implementation of the Water Projects as per the Water Services Development Plan (SDM)	Number of meetings held.	N/A	N/A	3	3	3	3	12	N/A	SDM is implementi ng all water and sanitation projects
				% Achievement of set milestones as per plan.	N/A	N/A	100%	100%	100%	100%	100%		SDM is implementi ng all water and sanitation projects
				Monthly Progress Report submitted to relevant stakeholders.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly		SDM is implementi ng all water and sanitation projects
		To assist the district municipality in providing sanitation to the communities of Umzimkhulu by the end of 2009	Monitoring the implementation of the projects as per the sanitation plan (SDM)	Number of meetings held.	N/A	N/A	3	3	3	3	12		SDM is implementi ng all water and sanitation projects
				% Achievement of set milestones as per plan.	N/A	N/A	100%	100%	100%	100%	100%		SDM is implementi ng all water and sanitation projects
				Monthly Progress Report submitted to relevant stakeholders.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly		SDM is implementi ng all water and sanitation projects
		To assist the district municipality and Eskom in providing electricity to the communities of Umzimkhulu by the end of 2009	Monitor the implementation of the Electricity Service Delivery Plan. (SDM)	Number of meetings held.	N/A	N/A	3	3	3	3	12		SDM is implementi ng all water and sanitation projects

6.1.5 INFRASTRUCTURE

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures for improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements		
				% Achievement of set milestones as per plan.	N/A	N/A	100%	100%	100%	100%	100%		SDM is implementing all water and sanitation projects	
				Monthly Progress Report submitted to relevant stakeholders.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly		SDM is implementing all water and sanitation projects	
					N/A	N/A	25	25	25	25	100	100%	N/A	
	Provide environmentally acceptable waste management to the Municipality	Ensure that the town of Umzimkhulu is kept clean		Number of refuse bins installed in town. Consolidation of weekly reports on the daily collection of refuse and street cleanliness.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A	
				Number of recycle facilities provided.	N/A	N/A	N/A	2	N/A	N/A	2	100%	N/A	
				Number of awareness signage installed.	N/A	N/A	N/A	N/A	1	1	2	100%	N/A	





6.1.5 INFRASTRUCTURE

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures for improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments		
			Maintenance of the existing dump site	Upgrading of the fence.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sept 08	100%	N/A	
				% Compliance to service level agreement with the service providers.	N/A	N/A	100%	100%	100%	100%	100%	N/A		
				Number of campaigns conducted.	N/A	N/A	2	1	2	1	6	N/A		
		Conduct research & development to find innovative solutions to future delivery of waste management services.	Establish the suitable Land Fill site in line the permit regulations (Com & Social)	Completion of the Waste Management Plan.	N/A	N/A	N/A	Mar 09	May 09	100%	20%	Budget has been allocated To conduct EIA for 2009/10		
				Feedback reports from Environmental Officers.	N/A	N/A	N/A	N/A	May 09		100%	Municipalit y to explore establishm ent of an Environme ntal Managemen t Unit		
Prepare and implement strategic plans for roads and storm water that both inform and are aligned to the Integrated Development Plan of the Municipality	Implement a 3-year capital plan aligned to IDP	3-year capital plan reviewed and approved by Council.	N/A	N/A	N/A	N/A	N/A	Jun 09		100%	N/A			
		Number of kilometres of roads constructed as per the plan.	N/A	N/A	6	6	6	24	100%	N/A				
		Monthly report on progress submitted to stakeholders.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	100%	N/A				
	Upgrading of storm water drainage system at Umzimkhulu	Number of meters upgraded.	N/A	N/A	500	500	500	500	2000	100%	N/A			
		Liaise with DPLG and facilitate registration of projects	N/A	N/A	3	3	3	12	100%	N/A				

6.1.5 INFRASTRUCTURE

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures for improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
	Maintain the road assets so that the life cycle costs are optimised and the mobility/access needs of the population are met.	Review and implementation of maintenance plan	Annual review of plan. The kilometres of roads repaired to the required standard should be more than 180km.	N/A	N/A	N/A	N/A	N/A	May 09	100%	N/A		
				N/A	N/A	40	50	40	50	180	100%	N/A	
		To ensure that the number of public facilities that are of good quality is increased.	Construction of Thusong centre.	N/A	N/A	N/A	N/A	N/A	1	0%	The municipality to relocate the project.		
			Renovation of Taxi Rank.	N/A	N/A	N/A	N/A	N/A	1	100%	N/A		
			Construction of public toilets.	N/A	N/A	N/A	N/A	1	1	2	0%	Allocate/sourc e more budget	
		Construction of Pound.	N/A	N/A	N/A	N/A	N/A	1	N/A	1	0%	Facilitate the approval of CBD layout and allocated plot for pound	
		Ensure effective maintenance of all public facilities	Number of community halls maintained.	N/A	N/A	2	2	N/A	2	6	50%	Increase maintenance budget	





6.1.5 INFRASTRUCTURE

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures for improve- ment
					Target	% Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments		
Pg. 53 3.4.2	Local Economic Development	Local labour skills enhancement in communities		Number of sport fields maintained.	N/A	N/A	4	4	4	4	16	0%	Increase maintenan ce budget	
				Number of toilets maintained.	N/A	N/A	2	2	3	4	11	8%	Increase maintenan ce budget	
				Number of tennis court maintained	N/A	N/A	3	3	3	3	12	0%	Increase maintenan ce budget	
				Number of buildings maintained.	N/A	N/A	4	4	4	4	16	100%	N/A	
			Ensure effective maintenance of municipal buildings	Upgrading of traffic offices.	N/A	N/A	N/A	N/A	Mar 09	N/A	Mar 09	100%	N/A	
			Implementation of EPWP guidelines	Skills and other resource audit conducted.	N/A	N/A	3	3	3	3	12	100%	N/A	
			Resource database developed.	N/A	N/A	3	3	3	3	12	100%	N/A		
			Monthly report submitted on monitoring and evaluation.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A		
			Training plan submitted to the Department of Labour.	N/A	N/A	N/A	3	3	3	3	9	0%	Municipalit y to compile and submit the report	
			Number of women trained.	N/A	N/A	2	1	1	2	6	0%	All special groups will be mainstrea med in the training plan		
	To ensure that the number of youth, women, and disabled sectors benefiting from infrastructure projects is increased	Trainings conducted as per training plan	Number of youth trained.	N/A	N/A	3	4	2	4	13	0%	All special groups will be mainstrea med in the training plan		

6.1.5 INFRASTRUCTURE

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures for improve-ment
					Target	% Actual Achieve-ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve-ments	
				Number of disabled people trained.	N/A	N/A	N/A	1	N/A	N/A	1	0%	All special groups will be mainstreamed in the training plan
				Number of groups trained.	20	100%	1	N/A	3	N/A	4	0%	All special groups will be mainstreamed in the training plan
Pg 55 3.4.5	Good Governance and Public Participation	Improve communication with community	Ensure community participation and support for projects via Project Steering Committee.	Setting up of the Project Steering Committee.	N/A	N/A	2	3	2	3	10	100%	N/A
				Number of capacity building for PSC members.	N/A	N/A	2	3	2	3	10	70%	Not accredited
				Number of PSC meetings held.	N/A	N/A	30	30	30	30	120	100%	N/A
				Number of HIV/AIDS awareness programmes.	N/A	N/A	2	3	2	3	10	100%	N/A





6.1.5 INFRASTRUCTURE

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target					2008/09		Planned Measures for improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements		
Pg 55 3.4.5			Contractors, officials and Council training on EPWP, CIDB and municipal policies	Number of people trained per category.	N/A	N/A	10	20	10	10	50	100%	N/A	
	Basic Service Delivery	Urban greening and creation of an attractive environment	Upgrading of Umzimkhulu Park	Maintenance of the existing park.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	0%	Construction of Roads taking place. Existing park is used as the construction site.	
				Monthly report on maintenance.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A	
			Facilitate the planting of trees in Umzimkhulu in partnership with department of Agriculture and Environmental Affairs	Number of trees planted in all urban regeneration projects.	N/A	N/A	N/A	N/A	N/A	10		On hold	Municipality to liaise with Dept of Agriculture and Environmental Affairs for more funding	
			Maintenance of parks, gardens cemeteries and other public spaces	Monthly report on grass cutting and maintenance.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A	
			Provision of Christmas lights	Installation of Lights	N/A	N/A	N/A	Dec 08	N/A	N/A	Dec 08	100%	N/A	

6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 53 3.4.2	Local Economic Development	Ensure effective Integrated Development Planning process for Umzimkhulu	Develop IDP Process Plan for 2009/10	Number of adverts and invitations to stakeholders for reviving IDP Processes	N/A	N/A	1	N/A	N/A	N/A	1	100%	N/A
				Number of consultation meetings held with Standing Committee, Exco, Rep Forum & Council	N/A	N/A	4	N/A	N/A	N/A	4	100%	N/A
				2009/10 IDP Process Plan adopted by Council	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				Submit Process Plan to Relevant stakeholders	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				Completion of an analysis and strategies Phase	N/A	N/A	N/A	Oct 08	N/A	N/A	Oct 08	100%	N/A
			Completion of an improved 2009/10 IDP from poor to excellent	No. Of consultation meetings held and completion of project Phase	N/A	N/A	N/A	Nov 08	N/A	N/A	Nov 08	100%	N/A
				Completion of Integration Phase	N/A	N/A	N/A	N/A	Feb 09	N/A	Feb 09	100%	N/A





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 53 3.4.1	Institutional Development & Transformation	Implementation of an organisational performance management	Organisational performance measured in line with the IDP	Approval of the draft IDP for 2009/10 by Council	N/A	N/A	N/A	N/A	Mar 09	N/A	Mar 09	100%	N/A
				Submit draft IDP to Sisonke District Municipality and DLGTA for comments	N/A	N/A	N/A	N/A	Apr 09	Apr 09	Apr 09	100%	N/A
				Imbizo on draft IDP, PMS and Budget	N/A	N/A	N/A	N/A	Apr 09	Apr 09	Apr 09	100%	N/A
				Incorporation of comments and adoption by Council	N/A	N/A	N/A	N/A	May 09	May 09	May 09	100%	N/A
				Number of sector plan developed and reviewed as per process plan	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
Pg 53 3.4.1	Institutional Development & Transformation	Implementation of an organisational performance management	Organisational performance measured in line with the IDP	% Achievement of set targets	N/A	N/A	100%	100%	100%	100%	100%	100%	-The Municipality uses its Operational Plan to measure performance.
				Quarterly reports consolidated and submitted to the relevant stakeholders	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	80%	Consultation be expanded and include the community

6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09	% Actual Achievements	Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target		
Pg 54 3.4.3	Basic Service Delivery	Conduct Building Inspection in an efficient manner that fast track service delivery	Manage and control building plans and ensure that each structure is structurally sound and does not violate any building rules, TPS, Municipal Bylaws and other regulations	Approval rate of building plans submitted per quarter	N/A	N/A	60%	60%	70%	70%	70%	70%	N/A
				No. Of properties inspected per quarter.	N/A	N/A	30	30	30	30	120	70%	HR capacity
				A report on illegal buildings identified and number of notices issued quarterly.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtlly	100%	N/A





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
	Institutional Development & Transformation	Geographic Information System	Establish a fully functional GIS unit	Unit established & operational.	N/A	N/A	Jul 08	N/A	N/A	N/A	Jul 08	0%	-GIS forms part of District Shared Services. Municipality to liaise with the SDM
					N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	-Outsourced the function
					N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	0%	-GIS forms part of District Shared Services. Municipality to liaise with SDM
					N/A	N/A	N/A	60%	80%	100%	100%	70%	-municipality through shared services should establish a satellite office.
Pg 53 3.4.1	Institutional Development & Transformation	Web-site development	Maintain Umzimkhulu Municipality property database	Updated property database.	N/A	N/A	60%	70%	80%	100%	100%	80%	municipality through shared services should establish a satellite office
					N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	-Function shifted to the Finance Department

6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 54 3.4.3	Basic Service Delivery	Provision of Housing services to the community of Umzimkhulu	Review and update Housing Sector Plan	Housing Sector Plan adopted by Council.	Sep 07	0%	Jul 08	N/A	N/A	N/A	Jul 08	100%	N/A
				Prioritise projects & submit to Department of Housing for implementation.	N/A	N/A	Aug 08	N/A	N/A	N/A	Aug 08	100%	N/A
				Manage and monitor the implementation of housing projects.	N/A	N/A	N/A	Oct 08	N/A	N/A	Oct 08	100%	-Done in March 2009 due to transfer from Eastern Cape to KZN
				Quarterly report on the status of housing projects implementation.	N/A	N/A	N/A	Dec 08	Mar 09	Jun 09	Qtly	100%	-Reports are compiled on Housing activities though projects were on hold.





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 53 3.4.2	Local Economic Development	Ensure effective Land Administration	Processing of housing applications	Quarterly reports on processed housing application forms submitted to the Department of Housing.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Quarterly report on management and processing of deed of sale and title deeds.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Land Claims data obtained.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				Liaise with Land Commissioner's office and source information on outstanding land claims in the municipal area of jurisdiction	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				% Incorporation of projects to the planning process of the Municipality.	N/A	N/A	50%	60%	70%	80%	100%	100%	N/A
				Report on progress made on development of Area Based Plans (ABP).	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Policy & Plan on illegal land invasion developed and adopted.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				% Implementation of the policy.	N/A	N/A	N/A	60%	70%	80%	100%	70%	Facilitate quick resolution of matters handed over to Courts.

6.1.6 Strategic Planning, Development & Housing

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09	Planned Measures For Improve- ment	
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- -ments	
			Facilitate tenure arrangement from ECDC to the Municipality	Tenure arrangement concluded.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	0%	Municipality to liaise with ECDC for transfer of affected properties.
		Implementation of plans for Umzimkhulu Hotel	Develop and implement future plans Umzimkhulu Hotel	% Implementation of the plan.	N/A	N/A	50%	70%	80%	100%	100%	40%	-Legal battles between the Municipality and the current lease holder to be resolved urgently.
		Facilitate proper functioning of Umzimkhulu Commonage	Conduct research on the current land use	Report developed.	N/A	N/A	Sep 08	N/A	N/A	N/A		100%	N/A
			Develop implementation plan on the proper functioning of Umzimkhulu Commonage as per UTPS	Approval of plan by Council.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	70%	-CBD layout to be lodged in terms of DFA.





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
				Implementation of the plan.	N/A	N/A	N/A	Oct 08	N/A	N/A	Oct 08	0%	-CBD layout to be lodged in terms of DFA
				Quarterly report on achievement of targets.	N/A	N/A	N/A	Dec 08	Mar 09	Jun 09	Qtly	0%	-CBD layout to be lodged in terms of DFA
				% Implementation of projects.	N/A	N/A	20%	40%	60%	80%	100%	70%	-Solicit more funding and other required resources.
				Number of meetings held.	N/A	N/A	2	2	2	2	8	100%	N/A
		Umzimkhulu Town Urban Regeneration Plan	Manage the implementation of the plan	Facilitate meetings with relevant stakeholders	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Monitor the implementation of project	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Implementation plan as well as priorities identified in the plan	% Implementation of plans.	N/A	N/A	N/A	N/A	50%	50%	100%	70%	-Solicit more funding and other required resources.
				Report produced on a quarterly basis.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A

6.1.6 Strategic Planning, Development & Housing

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/ 09		Planned Measures For Improve- ment
					Target	% Actual Achieve- ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve- ments	
			Facilitate the acquisition of state land (DLA)	Report on state land acquired.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	60%	-facilitate approval of CBD town layout. -liaise with DLA to ensure transfer of all land date & powers thereof to KZN.
			Facilitate the disposal of land	Report on land disposed.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	0%	- facilitate approval of CBD town layout & review of Land Disposal policy.
				Meetings held by the Disposal Committee.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	0%	- facilitate approval of CBD town layout





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
Pg 53 3.4.1		Township Establishment	Manage the implementation of projects	% Implementation of project.	N/A	N/A	25%	40%	60%	80%	100%	80%	-facilitate timeous approval of CBD town layout
	Institutional Development & Transformation	Monitoring and Evaluation	Develop monitoring & evaluation tool	Monitoring & evaluation tool developed.	N/A	N/A	Jul 08	N/A	N/A	N/A	Jul 08	100%	N/A
	Local Economic Development	Revitalisation of railway line	Packaging of feasibility study and development of Business Plan	Report on quarterly review sessions conducted.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A
				Feasibility study report developed.	N/A	N/A	100%	N/A	N/A	N/A	100%	0%	-The project will be implemented at District level.
				Business plan developed.	N/A	N/A	N/A	Dec 08	N/A	N/A		0%	-The project will be implemented at District level.
				Funding obtained.	N/A	N/A	N/A	N/A	Mar 09	N/A	Mar 09		-The project will be implemented at District level.
				% Implementation of the plan.	N/A	N/A	N/A	N/A	N/A	50%	100%		-The project will be implemented at District level.

6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improvement
					Target	% Actual Achievement	Q1	Q2	Q3	Q4	Target	% Actual Achievements	
		Capacity Building	Conduct needs analysis on economic development issues	Report on needs analysis compiled.	N/A	N/A	Oct 08	N/A	N/A	N/A	Oct 08	100%	-LED summit was held
			Conduct training to Councillors & officials on Economic Development issues identified	Number of workshops conducted.	N/A	N/A	N/A	2	N/A	N/A	2	100%	N/A
			Conduct training on SMME's & co-operatives	Number of SMME workshops conducted.	N/A	N/A	1	1	N/A	N/A	2	50%	Municipality to allocate more funding for training
				Number of Co-operative workshops conducted.	N/A	N/A	N/A	1	1	N/A	2	0%	Municipality to allocate more funding for training





6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve ment
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve -ments	
		Creating an enabling environment that facilitate local economic development	Facilitate linkages between SMME's, Co-ops and business enterprises with financial institutions and relevant government department	Information sharing workshops conducted.	N/A	N/A	1	N/A	N/A	N/A	1	100%	N/A
				Number of Agreements / Service Level Agreements entered into.	N/A	N/A	N/A	2	2	2	6	50%	-More consultation with other stakeholders
				Number of business plans developed to solicit funding.	N/A	N/A	N/A	2	2	2	6	100%	N/A
			Conduct Local Economic Development Summit	Approved plan/ concept document for the summit by Council.	N/A	N/A	Jul 08	N/A	N/A	N/A	Jul 08	100%	N/A
				Invitation of relevant stakeholders.	N/A	N/A	Jul 08	N/A	N/A	N/A	Jul 08	100%	N/A
				Local Economic Development event.	N/A	N/A	Aug 08	N/A	N/A	N/A	Aug 08	100%	LED Summit
			Create an enabling & conducive environment for economic and employment generation	Number of enterprise development project undertaken	N/A	N/A	4	4	4	4	16	50%	-to solicit more funding
				User-friendly by-laws developed and updated.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A
				Incentives policies developed.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	0%	Municipality to conduct research and develop incentives policy
				Investment policy developed.	N/A	N/A	50%	60%	70%	80%	100%	0%	To develop the policy

6.1.6 Strategic Planning, Development & Housing

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve ment
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve -ments	
				% Implementation of informal trader sector policy and plan.	N/A	N/A	N/A	N/A	N/A	N/A	100%	40%	-Delays in gazetting of the by-laws
		Development and implementation of container policy		Development of container policy.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	-If forms part of the informal trade policy
				% Implementation of policy.	N/A	N/A	N/A	40%	60%	80%	100%	100%	N/A
		Creation of storage facility for impounded goods		Plan approved for the sourcing of funding.	N/A	N/A	N/A	Dec 08	N/A	N/A	Dec 08	100%	N/A
		Development of stalls for informal traders		Number of stalls constructed.	N/A	N/A	N/A	N/A	50	100%	100%	30%	-facilitate timeous approval of the CBD layout plan
		Stimulate local economic development through the promotion of tourism		Number of tourism awareness campaigns & workshops conducted.	N/A	N/A	1	2	1	1	5	100%	N/A





6.1.6 Strategic Planning, Development & Housing

IDP indi-cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09		Planned Measures For Improve ment
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve -ments	
			Explore tourism potential for the Municipality	Conduct feasibility study.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	-Tourism strategy developed and adopted
				Tourism Marketing Strategy developed.	Jun 08	0%	Sep 08	N/A	N/A	N/A	Sep 08	20%	-Business plan developed to source funding
				Business plan developed to secure funding.	N/A	N/A	N/A	Oct 08	N/A	N/A	Oct 08	100%	N/A
				% Implementation of the plan.	N/A	N/A	N/A	N/A	40%	60%	100%	50%	-Only tourism strategy is implemented. Municipality will develop tourism marketing plan
		Promotion of arts and craft work	Develop database.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A	
			Number of exhibitions facilitated.	N/A	N/A	1	1	1	1	4	100%	N/A	
			Number of business formalised and trained.	N/A	N/A	2	2	2	2	8	100%	-Done as part of the Gateway project	

6.1.6 Strategic Planning, Development & Housing

IDP indicator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/09	Planned Measures For Improve ment	
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target		% Actual Achieve -ments
				Linkages with other stakeholders and Service Level Agreements entered into.	N/A	N/A	1	1	1	1	4	60%	Municipal ity will facilitate more comprehensive consultation strategy with stakeholders
			Agricultural Development Plan	Reviewed and adopted plan.	Jun 08	0%	Sep 08	N/A	N/A	N/A	Sep 08	0%	-To source Funding
				Develop implementation plan.	Jun 08	0%	N/A	Oct 08	N/A	N/A	Oct 08	0%	To source Funding
			Facilitate optimal utilisation of all arable land and eradication of poverty through agricultural projects	Report on LRAD, Siyavuna, Siyazondia Projects facilitated and implemented.	N/A	N/A	Sep 08	Dec 08	Mar 09	Jun 09	Qtly	100%	N/A





6.1.6 Strategic Planning, Development & Housing

IDP indi- cator	National KPA	Strategic Objective	Measurable Objective/ Output	Performance Measure/ Indicator	2007/08		2008/2009 Target				2008/ 09		Planned Measures For Improve ment			
					Target	% Actual Achieve ment	Q1	Q2	Q3	Q4	Target	% Actual Achieve -ments				
			Promotion of sustainable economic development projects for Large scale commercialised farming projects (Agro-business/ processing)	Conduct feasibility study.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	0%	This will be done as part of developing the Agricultural Plan for the Municipality			
					N/A	N/A	N/A	N/A	N/A	N/A	Nov 08	0%		This will be done as part of developing the Agricultural Plan for the Municipality		
				Business plan developed to secure funding.	N/A	N/A	N/A	Dec 08	N/A	N/A	Dec 08	100%	N/A			
					% Implementation of the plan.	N/A	N/A	N/A	N/A	N/A	40%	60%		100%	-Plan to be developed during 2009/10 financial year	
				Develop database.	N/A	N/A	Sep 08	N/A	N/A	N/A	Sep 08	100%	N/A			
					Number of Co-Ops established and registered.	16	100%	5	2	1	2	10	100%	N/A		
				Number of SMME's established and registered.	N/A	N/A	4	4	4	4	16	100%	N/A			
					Strategy adopted.	Oct 07	0%	Sep 08	N/A	N/A	N/A	Sep 08	90%	-will be adopted by Council for implementation		
							% Implementation.	N/A	N/A	N/A	25%	50%	75%	100%	30%	-Only the SMME Forum has been established